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## IMPORTANT TERMS of our HOME EQUITY LINES OF CREDIT

THIS DISCLOSURE CONTAINS INFORMATION ABOUT OUR HOME EQUITY LINES OF CREDIT. ALL TERMS ARE THE SAME EXCEPT FOR WHERE OTHERWISE INDICATED. YOU SHOULD READ IT CAREFULLY AND KEEP THIS COPY FOR YOURSELF.

### Availability Of Terms

All terms described below are subject to change. If these terms change, other than the Annual Percentage Rate, and you decide, as a result, not to enter into an agreement with us, you are entitled to a refund of any fees you paid to us or anyone else in connection with your application.

### Security Interest

We will take a Deed of Trust/Mortgage on your home ("Security Property"). You could lose your home if you do not meet certain obligations in your agreement with us.

### Possible Actions

#### Termination

If you fail to meet the terms of repayment, or if you act or fail to act in a way that adversely affects our security interest or other rights in the Security Property, or if you have committed fraud or made a material misrepresentation in connection with the account, we may, subject to the governing law, terminate the plan, require payment in full of the entire outstanding balance in a single payment or cause the Security Property to be sold and the proceeds of such sale to be applied to your obligation to us. You agree to pay any reasonable costs of protecting, retaking, repairing, or selling the Security Property.

#### Suspension

Your right to request additional advances may be suspended, or your maximum credit limit reduced, at our option, in the following instances: (1) you fail to make the scheduled payments due to us; (2) you fail to make timely payments to the holders of Deeds of Trust/Mortgages senior to ours; (3) you fail to pay real property taxes prior to delinquency; (4) you fail to maintain the required property insurance; (5) the value of the Security Property declines significantly below the appraised value upon which we relied in approving your application; (6) we reasonably believe that your ability to meet your payment obligations is impaired because of a material change in your financial circumstances; (7) governmental action precludes our imposing the interest rate provided herein or adversely affects the priority of our security interest such that the value of our interest is less than 120% of your maximum credit limit; (8) the maximum interest rate under the plan is reached; or (9) government regulatory authorities find that further advances under this plan constitute an unsafe and unsound practice. When the condition which caused the suspension of advances or reduction of your maximum credit limit no longer exists, the original terms of your agreement will be reinstated. You understand that if your right to request additional advances is suspended or your maximum credit limit is reduced, you still owe us whatever sums you have already borrowed, all other charges under your agreement, and applicable Finance Charges.

### Home Equity Plans

We offer three (3) different Home Equity Line of Credit plans. The pricing structure for these plans will be determined by your: (i) creditworthiness (as determined by your credit score); and (ii) the maximum Combined-Loan-To-Value (CLTV) ratio for your loan (the sum of the current outstanding debts secured by liens against the Security Property plus the home equity line of credit maximum credit limit established for your loan, divided by the value of the Security Property). Your maximum credit limit will be determined by our underwriting guidelines.

- Our **Plan 1** Line of Credit is determined by your creditworthiness, and imposes a limit on the CLTV ratio for your loan. For qualified applicants whose credit score is equal to or greater than the minimum acceptable score under our underwriting guidelines but whose credit score is less than or equal to the maximum credit score threshold established by our underwriting guidelines for Plan 1, the CLTV ratio for your loan cannot exceed 80.00%.
- Our **Plan 2** Line of Credit is for qualified applicants whose credit score exceeds the maximum credit score threshold for Plan 1, with a CLTV ratio of 80.01% to 90.00%.
- Our **Plan 3** Line of Credit is for qualified applicants whose credit score exceeds the maximum credit score threshold for Plan 1, with a CLTV ratio of 90.01% to 95.00%.

As a rule, higher credit scores qualify for a lower variable rate margin and interest rate, and lower credit scores qualify for a higher variable rate margin and interest rate. Not all applicants may qualify for all Plans.

### Minimum Payment Requirements

You can obtain credit advances for 120 months (draw period). During the draw period, your minimum periodic payment will be established at the close of each billing cycle at an amount equal to all accrued but unpaid Finance Charges, plus any portion of the minimum payments shown on prior statement(s) which remains unpaid.

After the draw period ends, you will no longer be able to obtain credit advances and you must repay your outstanding account balance (repayment period). The length of the repayment period will depend on the date and the amount of your last advance but in no event will exceed 180 months. During the repayment period, your minimum monthly payment will be established on the first day of the repayment period and any subsequent change in interest rate to the amount necessary to fully amortize your then outstanding principal balance no later than the agreement maturity date, subject to the lesser of \$125.00 or your account balance.

## Minimum Payment Examples

### **Plan 1 (80% & Less CLTV)**

If you made only the minimum payments and took no other credit advances, it would take 214 months to pay off a credit advance of \$10,000.00 with an **ANNUAL PERCENTAGE RATE** of 4.00%. During that period, you would make 120 monthly payments of \$33.34, followed by 93 monthly payments of \$125.00, and a final payment of \$25.44.

### **Plan 2 (80.01% - 90.00% CLTV)**

If you made only the minimum payments and took no other credit advances, it would take 210 months to pay off a credit advance of \$10,000.00 with an **ANNUAL PERCENTAGE RATE** of 3.00%. During that period, you would make 120 monthly payments of \$25.00, followed by 89 monthly payments of \$125.00, and a final payment of \$46.30.

### **Plan 3 (90.01% - 95.00% CLTV)**

If you made only the minimum payments and took no other credit advances, it would take 212 months to pay off a credit advance of \$10,000.00 with an **ANNUAL PERCENTAGE RATE** of 3.50%. During that period, you would make 120 monthly payments of \$29.17, followed by 91 monthly payments of \$125.00, and a final payment of \$29.09.

## Fees And Charges

To open a line of credit, you may have to pay certain fees to third parties. These fees generally total from \$65.00 to \$3,500.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

## Insurance

You must carry insurance on the property that secures this plan.

## Tax Deductibility

You should consult a tax advisor regarding the deductibility of interest and charges for the line of credit.

## Variable Rate

These plans have a Variable Rate feature and the annual percentage rate (corresponding to the periodic rate), and the amount of your regularly scheduled payments can change as a result. The Annual Percentage Rate includes only interest and no other costs. The Annual Percentage Rate is based on the value of an index. The index is the highest Prime Rate as published in The Wall Street Journal in effect on the 15th calendar day of each month of each year. If more than one rate is shown, we will use the higher rate. To determine the Annual Percentage Rate that will apply to your line of credit, we add a margin to the value of the index. Ask us for the current index value, margin, and Annual Percentage Rate. After you open a line of credit, rate information will be provided in periodic statements that we send you.

## Rate Changes

Your Annual Percentage Rate can change monthly. There is no limit on the amount by which the interest rate can change during any one-year period other than the maximum and minimum Annual Percentage Rates that can apply at any time to this account.

The maximum **ANNUAL PERCENTAGE RATE** at any time is 12.00%. The minimum **ANNUAL PERCENTAGE RATE** at any time is 3.00%.

## Preferred Rate

You may be able to have your payments automatically deducted from your Del-One Checking Account, or your payroll automatically deposited into Your Del-One Checking Account, and have your Daily Periodic Rate reduced by 0.000685% (corresponding **ANNUAL PERCENTAGE RATE** 0.25%). In that event, if we are unable to transfer the amount necessary to make any minimum payment on your account, or if you cancel the automatic deduction of your payments, or you cancel automatic deposit of your payroll into your Del-One Checking Account your Daily Periodic Rate may immediately increase by the amount of such discount.

## Maximum Rate And Payment Examples

### **Plan 1 (80% & Less CLTV)**

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 12.00% would be \$100.01. This Annual Percentage Rate could be reached during the 2nd month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 12.00% would be \$125.00. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

### **Plan 2 (80.01% - 90.00% CLTV)**

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 12.00% would be \$100.01. This Annual Percentage Rate could be reached during the 2nd month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 12.00% would be \$125.00. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

### **Plan 3 (90.01% - 95.00% CLTV)**

If you had an outstanding balance of \$10,000.00 during the draw period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 12.00% would be \$100.01. This Annual Percentage Rate could be reached during the 2nd month of the draw period.

If you had an outstanding balance of \$10,000.00 during the repayment period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 12.00% would be \$125.00. This Annual Percentage Rate could be reached during the 1st month of the repayment period.

### Historical Example

The following table shows how the Annual Percentage Rate and the monthly payments for a single \$10,000.00 credit advance would have changed based on changes in the index since 2007. The index is from The Wall Street Journal and is calculated on the first business day of March of each year. While only one payment amount per year is shown, payments may have varied during the year. The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the index or your payments will change in the future.

| Year | Index | Margin |       |      | ANNUAL PERCENTAGE RATE |          |       | Payment Period | Minimum Payment |          |          |
|------|-------|--------|-------|------|------------------------|----------|-------|----------------|-----------------|----------|----------|
|      |       | (1)    | (2)   | (3)  | (1)                    | (2)      | (3)   |                | (1)             | (2)      | (3)      |
| 2008 | 6.00  | 0.75   | -0.50 | 0.25 | 6.75%                  | 5.50%    | 6.25% | DRAW           | \$56.26         | \$45.84  | \$52.09  |
| 2009 | 3.25  | 0.75   | -0.50 | 0.25 | 4.00%                  | 3.00%(4) | 3.50% | DRAW           | \$33.34         | \$25.00  | \$29.17  |
| 2010 | 3.25  | 0.75   | -0.50 | 0.25 | 4.00%                  | 3.00%(4) | 3.50% | DRAW           | \$33.34         | \$25.00  | \$29.17  |
| 2011 | 3.25  | 0.75   | -0.50 | 0.25 | 4.00%                  | 3.00%(4) | 3.50% | DRAW           | \$33.34         | \$25.00  | \$29.17  |
| 2012 | 3.25  | 0.75   | -0.50 | 0.25 | 4.00%                  | 3.00%(4) | 3.50% | DRAW           | \$33.34         | \$25.00  | \$29.17  |
| 2013 | 3.25  | 0.75   | -0.50 | 0.25 | 4.00%                  | 3.00%(4) | 3.50% | DRAW           | \$33.34         | \$25.00  | \$29.17  |
| 2014 | 3.25  | 0.75   | -0.50 | 0.25 | 4.00%                  | 3.00%(4) | 3.50% | DRAW           | \$33.34         | \$25.00  | \$29.17  |
| 2015 | 3.25  | 0.75   | -0.50 | 0.25 | 4.00%                  | 3.00%(4) | 3.50% | DRAW           | \$33.34         | \$25.00  | \$29.17  |
| 2016 | 3.50  | 0.75   | -0.50 | 0.25 | 4.25%                  | 3.00%    | 3.75% | DRAW           | \$35.42         | \$25.00  | \$31.25  |
| 2017 | 3.75  | 0.75   | -0.50 | 0.25 | 4.50%                  | 3.25%    | 4.00% | DRAW           | \$37.50         | \$27.09  | \$33.34  |
| 2018 | 4.50  | 0.75   | -0.50 | 0.25 | 5.25%                  | 4.00%    | 4.75% | REPAYMENT      | \$189.85        | \$184.15 | \$187.56 |
| 2019 | 5.50  | 0.75   | -0.50 | 0.25 | 6.25%                  | 5.00%    | 5.75% | REPAYMENT      | \$193.60        | \$187.83 | \$191.28 |
| 2020 | 4.75  | 0.75   | -0.50 | 0.25 | 5.50%                  | 4.25%    | 5.00% | REPAYMENT      | \$191.45        | \$185.72 | \$189.14 |
| 2021 | 3.25  | 0.75   | -0.50 | 0.25 | 4.00%                  | 3.00%(4) | 3.50% | REPAYMENT      | \$188.53        | \$183.35 | \$186.26 |
| 2022 | 3.25  | 0.75   | -0.50 | 0.25 | 4.00%                  | 3.00%(4) | 3.50% | REPAYMENT      | \$188.53        | \$183.35 | \$186.26 |

- (1) This represents a margin (which we have recently used), Annual Percentage Rate and Minimum Payment for our Plan 1 (80.00% & Less CLTV) lines of credit.
- (2) This represents a margin (which we have recently used), Annual Percentage Rate and Minimum Payment for our Plan 2 (80.01% - 90.00% CLTV) lines of credit.
- (3) This represents a margin (which we have recently used), Annual Percentage Rate and Minimum Payment for our Plan 3 (90.01% - 95.00% CLTV) lines of credit.
- (4) This represents the minimum Annual Percentage Rate.