

**HOME EQUITY LINE OF CREDIT
EARLY DISCLOSURE**

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BORROWER INFORMATION

In this disclosure, the words "you" and "your" mean the recipient of this disclosure, and the words "we," "us" and "our" mean Eastern Bank, the Lender listed above. "e" means an estimate.

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

RETENTION OF INFORMATION. This disclosure contains important information about our home equity line of credit, Flex Equity Line ("Account"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the 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 security interest in your home (collateral). You could lose your home if you do not meet the obligations in your Agreement with us.

POSSIBLE ACTIONS. We can terminate your Account and require you to pay us the entire outstanding balance in one payment if: you engage in fraud or material misrepresentation in connection with the Account; or you do not meet the repayment terms; or your action or inaction adversely affects the collateral or our rights in the collateral; and/or federal law dealing with credit extended by us to you specifically requires that as a condition of your Account the credit shall become due and payable on demand.

We can refuse to make additional extensions of credit or reduce your credit limit if: the value of the dwelling securing the Account declines significantly below its appraised value for purposes of the Account; or we reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances; or you are in default of a material obligation in the Agreement; or government action prevents us from imposing the Annual Percentage Rate provided for or impairs our security interest such that the value of the interest is less than 120 percent of the credit line; or a regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; and/or the maximum Annual Percentage Rate is reached.

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit for 10 years (the "Draw Period"). During the Draw Period, payments will be due monthly. Your minimum periodic payment will be equal to the interest that has accrued on your Account as of the closing date of each billing statement.

After the Draw Period ends, you will no longer be able to obtain credit advances and must pay the outstanding balance over 15 years (the "Repayment Period"). During the Repayment Period, payments will be due monthly. Your minimum periodic payment will be equal to 1/180 of the outstanding balance, determined and fixed as of the end of the Draw Period, plus accrued interest as of the closing date of each billing statement.

MINIMUM-PAYMENT EXAMPLE. If you made only the minimum monthly payments and took no other credit advances, it would take 25.00 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 4.250%. During the Draw Period, you would make 120 monthly payments of \$35.42. During the Repayment Period, you would make 179 monthly payments varying between \$90.98 and \$55.95. This would be followed by one final payment of \$55.75.

FEES AND CHARGES. To open and maintain your Account, you must carry insurance on the property securing your Account and pay us the following fees:

Annual Participation Fee	\$50.00
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***** The fee will be billed to the consumer's Account as a fee.

You must also pay certain fees to third parties. These fees generally total between \$0.00 and \$725.00. If you ask, we will give you an itemization of the fees that you will have to pay to third parties.

If you tell us you have decided not to enter into the Account within three business days of receiving this Disclosure and the brochure "What You Should Know About Home Equity Lines of Credit" in person, or within six business days after the day we mail them to you, as the case might be, any fees or charges you might have already paid will be refunded.

NEGATIVE AMORTIZATION. Under some circumstances, your payments will not cover the finance charges that accrue and "negative amortization" will occur. Negative amortization will increase the amount that you owe us and reduce the equity in your home.

TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the Account.

VARIABLE RATE FEATURE. The Account has a variable rate feature. The Annual Percentage Rate (corresponding to the periodic rate) and the minimum payment can change as a result. This Annual Percentage Rate does not include costs other than interest. The Annual Percentage Rate is based on the value of an index. The index is the Wall Street Journal published Prime Rate ("Index") (if published in a range, the highest number in the range will be used) and is published in the Wall Street Journal. To determine the Annual Percentage Rate that will apply to your Account, we

subtract a margin from the value of the index. Ask us for the current index value, margin and Annual Percentage Rate. After you open an Account, rate information will be provided on periodic statements that we furnish to you.

RATE CHANGES. The Annual Percentage Rate can change monthly. The maximum **ANNUAL PERCENTAGE RATE** that can apply is 18.000%. Apart from this rate cap, there is no limit on the amount by which the rate can change in any one-year period.

FIXED RATE CONVERSION OPTION. During the Draw Period, you may elect to convert all or a portion (of at least \$10,000) of the outstanding balance of your Account to a Fixed Rate Loan. Minimum term of Fixed Rate Loan is 60 months; maximum term is 240 months or until the end of the Repayment Period for your Account, whichever is earlier. No more than 5 Fixed Rate Loans outstanding at any time. Annual percentage rate for Fixed Rate Loan determined at time of conversion, equal to an index plus a margin. Index is the rate in effect for U.S. Treasury Notes having comparable periods of maturity to the term selected for the Fixed Rate Loan, as in effect on the 15th day of the month immediately preceding the month in which you request the conversion. Ask us for information about current index values and margins. Rate reduction (if any) available for automatic payment authorization given at time of conversion.

PREFERRED RATE FEATURE. You may, but are not required to, authorize the Bank to pay the Minimum Monthly Payment due on your Account each month by debiting your Eastern Bank checking account. If you give this authorization at the time you open your Account and we are offering an autopay discount on accounts with similar terms at that time, the annual percentage rate applicable to your Account will be reduced by the amount of the autopay discount we are offering for similar accounts as long as the automatic payment authorization remains in effect. Ask us for our current preferred rate discounts.

Minimum Initial Advance: Minimum \$25,000.00 draw at account opening is required to obtain the preferred rate.

MAXIMUM-RATE AND PAYMENT EXAMPLE. If the **ANNUAL PERCENTAGE RATE** during the Draw Period equaled the 18.000% maximum and you had an outstanding balance of \$10,000.00, your minimum payment would be \$150.00. The maximum Annual Percentage Rate could be reached the first time your Annual Percentage Rate changes, unless your initial rate is equal to the maximum, in which case it would be reached immediately. If you had an outstanding balance of \$10,000.00 at the beginning of the Repayment Period, the minimum payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000% would be \$205.56. This Annual Percentage Rate could be reached at the beginning of the Repayment Period.

HISTORICAL EXAMPLE. The following table shows how the Annual Percentage Rate and the minimum payments for a single \$10,000.00 credit advance would have changed based on changes in the index over the past 15 years. The index values are from the rate in effect as of the last business day of July of each year. While only one payment amount per year is shown, payments would have varied during each year of the Draw Period. The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments will change in the future.

Year	Index	Margin*	ANNUAL PERCENTAGE RATE	Minimum Periodic Payment
2003	4.000%	- 0.000%	4.000%	\$33.33
2004	4.250%	- 0.000%	4.250%	\$35.42
2005	6.250%	- 0.000%	6.250%	\$52.08
2006	8.250%	- 0.000%	8.250%	\$68.75
2007	8.250%	- 0.000%	8.250%	\$68.75
2008	5.000%	- 0.000%	5.000%	\$41.67
2009	3.250%	- 0.000%	3.250%	\$27.08
2010	3.250%	- 0.000%	3.250%	\$27.08
2011	3.250%	- 0.000%	3.250%	\$27.08
2012	3.250%	- 0.000%	3.250%	\$27.08 1/
2013	3.250%	- 0.000%	3.250%	\$82.64
2014	3.250%	- 0.000%	3.250%	\$80.84
2015	3.250%	- 0.000%	3.250%	\$79.03
2016	3.500%	- 0.000%	3.500%	\$78.89
2017	4.250%	- 0.000%	4.250%	\$81.53

* This is a margin we have used recently.

1/- Draw period ends on the 10th year.

ADDITIONAL PROVISIONS: If you cancel your Account within 2 years after the date the Agreement is signed, you agree to pay an early cancellation fee of \$350.00 to compensate Lender for the administrative costs incurred in creating the Account.