



HOME EQUITY LINE OF CREDIT EARLY DISCLOSURE

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, Eastern Flex Equity Line of Credit ("Account"). You should read it carefully and keep a copy for your records.

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 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. Under this Account, we have the following rights:

Termination and Acceleration. We can terminate your Account and require you to pay us the entire outstanding balance in one payment and impose fees upon termination, if any of the following happens:

- (a) You engage in fraud or material misrepresentation in connection with the Account.
- (b) You do not meet the repayment terms of the Account.
- (c) Your action or inaction adversely affects the collateral or our rights in the collateral.

Suspension or Reduction. We can refuse to make additional extensions of credit or reduce your credit limit, and, as specified in the initial agreement, implement certain changes in the plan if:

- (a) The value of the dwelling securing the Account declines significantly below its appraised value for purposes of the Account.
- (b) We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- (c) You are in default of a material obligation in the Agreement.
- (d) 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.
- (e) Regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- (f) The maximum annual percentage rate is reached.

CHANGE IN TERMS. Our agreement permits us to make certain changes to the terms of the line at specified times or upon the occurrence of specified events. We will provide you with information about the conditions under which such changes may occur.

FEES AND CHARGES. In order to open, use, or maintain your Account, you may have to pay certain fees:

Third Party Fees to Open the Account. You must pay certain fees to third parties in connection with opening the account. These fees generally range between \$0.00 and \$6,650, depending upon line amount, how the property is titled, and property location. Upon request, we will provide you with an itemization of the fees that you will have to pay to third parties.

Annual Participation Fee Payable to Us. \$50.00 (The Annual Participation Fee will be billed to your Account as a fee. The fee is waived for Select and Premier checking account customers).

PROPERTY INSURANCE. You must maintain adequate hazard insurance (and flood insurance when required) on the property that secures your Account.

TERMINATION FEE. If you cancel your Account within 2 years after the date the Agreement is signed, you agree to pay an early termination fee of \$350.00 to reimburse us for certain third-party charges we incurred on your behalf in connection with this line. Examples of such charges include property valuation fees, title charges, credit report fees, mortgage and transfer taxes.

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 INDEX. The annual percentage rate is based on the value of an index ("Index"). The Index is The Wall Street Journal US Prime Rate (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 carried to three decimal places. If the Index is no longer available, we will choose a new Index and margin. The new Index will have an historical movement substantially similar to the original Index, and the new Index and margin will result in an annual percentage rate that is substantially similar to the rate in effect at the time the original Index becomes unavailable.

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%, and your ANNUAL PERCENTAGE RATE will never go below 2.750% throughout the term of the Credit Line. There is no limit on the amount by which the rate can change during any one-year period.

RATE DISCOUNT OPTIONS. 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 (autopay). If you give us an autopay authorization at the time you open your Account and elect to participate in one of the rate discount programs described below, the annual percentage rate applicable to your Account will be reduced by the amount of the autopay discount we are currently offering for similar accounts. If the autopay authorization is cancelled or terminated, the discount will end and the annual percentage rate for your Account going forward will be computed by adding or subtracting the Bank's standard (non-discounted) margin in effect at the time you opened your Home Equity Line of Credit Account from the current Index value. Ask us about the amount of our current autopay discount.

Our autopay rate discount programs are:

AUTOPAY AND INITIAL ADVANCE. You must give us an autopay authorization and take an initial advance at closing of at least \$25,000.

AUTOPAY AND INTRODUCTORY RATE. If we are offering an introductory fixed interest rate at the time you open your Account, you can qualify for the rate by giving us an autopay authorization and taking an initial advance at closing of at least \$25,000. Under our introductory rate program, your initial annual percentage rate will not be based on the index and margin used to make later rate adjustments. The initial annual percentage rate will remain in effect for 12 billing cycles. After 12 billing cycles, the annual percentage rate will be adjusted each month based on the value of the Index, plus or minus the Bank's standard (non-discounted) margin as in effect at the time you opened your Home Equity Line of Credit Account, minus the autopay discount. If you cancel your autopay authorization, both the introductory rate and the autopay discount will end. Ask us about the Bank's current introductory rate program.

AUTOPAY AND GOOD WORKS PROGRAM. If you inform us that you are employed by a company participating in Eastern Bank's "Good Works" program and you give us an autopay authorization at the time you open your account, we will apply the autopay discount to your Account so long as the automatic payment authorization remains in effect. Additionally, if an appraisal is required for your property, the Bank will cover up to \$500 of the appraisal costs. The Good Works program cannot be combined with an Introductory Rate.

FIXED RATE CONVERSION OPTION. During the Draw Period, you may elect to convert all or a portion of the outstanding balance of your Account to a Fixed Rate Loan. The minimum amount you may convert at any one time is \$10,000. The minimum term of a Fixed Rate Loan is 60 months; the 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 may be outstanding at any time. The annual percentage rate for a Fixed Rate Loan will be determined at time of conversion and will be equal to the current value of the index identified in the next sentence plus a margin. The 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.

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 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE of 3.250%. During the Draw Period, you would make 120 monthly payments of \$27.08. During the Repayment Period, you would make 179 monthly payments varying between \$55.86 and \$82.64 followed by one final payment of \$55.71.

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. 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.

HISTORICAL TABLE				
Year	Index	Margin*	Annual Percentage Rate	Minimum Periodic Payment
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
2013	3.250%	0.000%	3.250%	\$27.08
2014	3.250%	0.000%	3.250%	\$27.08
2015	3.250%	0.000%	3.250%	\$27.08 ¹
2016	3.500%	0.000%	3.500%	\$84.72
2017	4.250%	0.000%	4.250%	\$88.61
2018	5.000%	0.000%	5.000%	\$91.67
2019	5.500%	0.000%	5.500%	\$92.22
2020	3.250%	0.000%	3.250%	\$75.42

* This is a margin we have used recently.

¹ Draw period ends at the end of the 10th year.



**Eastern Bank
265 Franklin Street
Boston, Mass.**

**MORTGAGE LOAN DISCLOSURES
(Required pursuant to Chapter 184, Section 17B,
of the Massachusetts General Laws)**

- 1. THE RESPONSIBILITY OF THE ATTORNEY FOR THE MORTGAGEE IS TO PROTECT THE INTEREST OF THE MORTGAGEE.**
- 2. MORTGAGORS MAY, AT THEIR OWN EXPENSE, ENGAGE AN ATTORNEY OF THEIR SELECTION TO REPRESENT THEIR INTERESTS IN THE TRANSACTION.**