

**Please print out this application packet, complete it with your information and return it to your local branch or mail to:**

Consumer Lending Department  
Attn: Consumer Lending, 9th Floor  
One Mid America Plaza  
Oakbrook Terrace, IL 60181



Pacific National Bank

**EQUITY ADVANTAGE HOME  
EQUITY LINE OF CREDIT DISCLOSURE BOOKLET**

*Thank you for applying for a Home Equity Line of Credit!*

Enclosed are disclosures that relate directly to your application.

By signing below you acknowledge you have read and understood the following disclosures:

1. Equity Advantage Application Disclosure
2. The Housing Financial Discrimination Act of 1977 Fair Lending Notice
3. Notice of Right to Receive a copy of your Appraisal
4. Important Facts About Interest Only Lines of Credit
5. Bank's Privacy Policy
6. What You Should Know About Home Equity Lines of Credit

**X** \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**X** \_\_\_\_\_

Co-Applicant Name \_\_\_\_\_

Date: \_\_\_\_\_



Member  
**FDIC**

## *Document Checklist for Home Equity Line of Credit*

Dear Valued Customer,

Please use the following checklist as a guide to make sure you are providing the necessary documentation to help make your application process as quick and easy as possible. Please keep in mind that every applicant is different so not everything will apply or there may be situations when additional information may be required.

- \_\_\_\_\_ Current paycheck stub and W-2 forms for prior year showing year to date income
- \_\_\_\_\_ Federal Income Tax Returns from the past **two (2) years** (including all schedules) if the following applies:
  1. You are self-employed.
  2. You collect rental income.
  3. You are a Partnership. (Include K1 return for last **two (2) years**, including all schedules, with personal returns).
  4. You are incorporated. (Include last **two (2) years** of corporate returns, including all schedules, with personal returns).
- \_\_\_\_\_ Copies of award letters and/or court support ledgers, and/or last **three (3) months** bank statements showing the automatic deposit of Retirement income, Social Security, Child Support, or Alimony (if applicable).
- \_\_\_\_\_ Copy of all statements for all mortgages (including home equity) you currently have showing the current balance and monthly payments.
- \_\_\_\_\_ Copy of your homeowner's insurance declaration page. If you own a condo, provide a copy of the certificate of insurance from your Condo Association.
- \_\_\_\_\_ Review the Equity Advantage Home Equity Line of Credit Disclosure Booklet.
- \_\_\_\_\_ Review "The Housing Financial Discrimination Act of 1977 Fair Lending Notice"
- \_\_\_\_\_ Please sign IRS Form 4506-T and return with income documentation
- \_\_\_\_\_ Please sign and return The Notice to Customer with your insurance declaration page
- \_\_\_\_\_ If you are applying for joint credit, both borrowers must initial where indicated at the top of the application.
- \_\_\_\_\_ Sign & return Equity Advantage Home Equity Line of Credit Disclosure Booklet (acknowledging you have reviewed and understood each disclosure).

If there are any questions, feel free to address them to your local relationship banker or branch manager.

# EQUITY ADVANTAGE APPLICATION DISCLOSURE

**PACIFIC NATIONAL BANK  
345 CALIFORNIA ST. – 7<sup>TH</sup> FLOOR  
SAN FRANCISCO, CA 94104**

## IMPORTANT TERMS OF OUR EQUITY ADVANTAGE APPLICATION DISCLOSURE

**This disclosure contains important information about our HOME EQUITY LINE OF CREDIT (the “Plan”). You should read it carefully and keep a copy for your records.**

**AVAILABILITY OF TERMS.** All of the terms of the Plan described herein are subject to change. If any of 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 that you paid to us or anyone else in connection with your application.

**SECURITY INTEREST.** We will take a security interest in your home. You could lose your home if you do not meet the obligations in your agreement with us.

**POSSIBLE ACTIONS.** Under this Plan, we have the following rights:

**Termination and Acceleration.** We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

- (a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.
- (b) You do not meet the repayment terms of the Plan.
- (c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

**Suspension or Reduction.** In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

- (a) The value of your dwelling declines significantly below the dwelling’s appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstance.
- (b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.
- (c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions). No default will occur until we mail or deliver a notice of default to you, so you can restore your right to credit advances.
- (d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.
- (e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.
- (f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.
- (g) The maximum annual percentage rate under the Plan is reached.

**Changes in Terms.** We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

**Fees and Charges.** In order to open and maintain an account, you must pay certain fees and charges.

**Lender Fees.** The following fees must be paid to us:

Description	Amount	When Charged
Origination Fees:	\$5,000-\$249,999 = \$250.00 \$250,000 and Greater = \$500.00	At Account Opening
Annual Fee:	\$50.00	Borrower(s) will not pay a fee for the first year. Thereafter the fee will be assessed annually beginning on the first anniversary of the account opening.
NSF Handling Fee:	\$30.00	At the time a payment is returned to us for non-sufficient funds
Stop Payment Fee:	\$25.00	At the time you request a Stop Payment

**Late Charge.** Your payment will be late if it is not received by us within **10 days after the “Payment Due Date” shown on your periodic statement.** If your payment is late we may charge you 6.000% of the unpaid amount of the payment or \$5.00, whichever is greater.

**Third Party Fees.** You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total \$0.00. Upon request, we will provide you with an itemization of the fees you will have to pay to third parties.

**PROPERTY INSURANCE.** You must carry insurance on the property that secures the Plan.

**MINIMUM PAYMENT REQUIREMENTS.** You can obtain advances of credit during the following period: 120 MONTHS (the “Draw Period”). Your Regular Payment will equal the amount of your accrued FINANCE CHARGES. You will make 119 of these payments. You will then be required to pay the entire balance owing in a single balloon payment. If you make only the minimum payments, you may not repay any of the principal balance by the end of this payment stream. Your payments will be due monthly. Your “Minimum Payment” will be the Regular Payment, plus any amount past due and all other charges. An increase in the ANNUAL PERCENTAGE RATE may increase the amount of your Regular Payment.

**MINIMUM PAYMENT EXAMPLE.** If you made only the minimum payment and took no other credit advances, it would take 10 years to pay off a credit advance of \$10,000.00 at an ANNUAL PERCENTAGE RATE OF 6.000%. During that period, you would make 119 monthly payments ranging from \$46.03 to \$50.96 and one final payment of \$10,050.96.

**TRANSACTION REQUIREMENTS.** The following transaction limitations will apply to the use of your Credit Line:

**Credit Line Equity Advantage Check Limitations.** There are no transaction limitations for the writing of Equity Advantage checks.

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

**VARIABLE RATE FEATURE.** The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

**THE INDEX.** The annual percentage rate is based on the value of an index (referred to in this disclosure as the “Index”). The Index is the Prime Rate as published in the Wall Street Journal on the last business day of the month. Information about the index is available or published in The Wall Street Journal. We will use the most recent index value available to us as of the date of any annual percentage rate adjustment. 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.

**ANNUAL PERCENTAGE RATE.** To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, then divide the value by the number of days in a year (daily). To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (daily). This result is the ANNUAL PERCENTAGE RATE. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Please ask us for the current index value, margin, discount and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

**FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS.** Your ANNUAL PERCENTAGE RATE can change on the 1<sup>st</sup> of each month. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 18.000% per annum or, go below 6.000% per annum at any time during the term of the Plan.

**MAXIMUM RATE AND PAYMENT EXAMPLE.** If you had an outstanding balance of \$10,000.00 the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.000% would be \$152.88. This ANNUAL PERCENTAGE RATE could be reached immediately or prior to the 1<sup>st</sup> payment.

**PREPAYMENT.** An early termination fee of \$495.00 will be charged if paid in full and closed within twenty four (24) months of the loan date.

**HISTORICAL EXAMPLE.** The example below shows how the ANNUAL PERCENTAGE RATE and the minimum payments for a single \$10,000.00 credit advance would have changes based on changes in the index from 1994 to 2008. The Index values are from the following reference period: AS OF THE LAST BUSINESS DAY IN DECEMBER. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

The table assumes that no additional credit advances were taken, that only the minimum payment was made, and that the rate remained constant during the year. It does not necessarily indicate how the Index or your payments would change in the future.

## INDEX TABLE

Year (AS OF THE LAST BUSINESS DAY IN DECEMBER)	Index (Percent)	Margin <sup>(1)</sup> (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
1994	8.500	0.750	9.250	78.56
1995	8.500	0.750	9.250	78.56
1996	8.250	0.750	9.000	76.44
1997	8.500	0.750	9.250	78.56
1998	7.750	0.750	8.500	72.19
1999	8.500	0.750	9.250	78.56
2000	9.500	0.750	10.250	87.05
2001	4.750	0.750	6.000 <sup>(8)</sup>	50.96
2002	4.250	0.750	6.000 <sup>(8)</sup>	50.96
2003	4.000	0.750	6.000 <sup>(8)</sup>	50.96
2004	5.250	0.750	6.000	
2005	7.250	0.750	8.000	
2006	8.250	0.750	9.000	
2007	7.250	0.750	8.000	
2008	3.250	0.750	6.000 <sup>(8)</sup>	

<sup>(1)</sup> This is a margin we have used recently; your margin may be different.

<sup>(8)</sup> This A.P.R. reflects a 6.000 percent floor.

# HOME EQUITY CREDIT APPLICATION

**Important information about procedures for opening a new account:** To help the government fight terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license and other identifying documents.

## LOAN INFORMATION

Loan Type Requested:  Home Equity Loan  Home Equity Line of Credit Borrower(s) Applying For:  Individual Credit  Joint Credit (please initial): \_\_\_\_\_

Loan Amount Requested: \$ \_\_\_\_\_ Loan Term Requested (home equity loan only): \_\_\_\_\_

Collateral Property Purchase Price: \$ \_\_\_\_\_ Collateral Property Purchase Date: (mm/dd/yyyy): \_\_\_\_\_

Estimated Market Value of Collateral Property: \$ \_\_\_\_\_ Collateral Property Use:  Primary Residence  Second Home

Collateral Property Type:  Single Family  2-4 Unit  Condo  Manufactured  Mobile

Collateral Street Address: \_\_\_\_\_ Unit: \_\_\_\_\_ City: \_\_\_\_\_ County: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_ Is the collateral property vested in a trust?  Yes (please provide trust name): \_\_\_\_\_  No

Purpose of this Loan:  Home Improvement  Purchase  Debt Consolidation  Refinance  Other (please specify): \_\_\_\_\_

## APPLICANT INFORMATION

Name (First, Middle, Last): \_\_\_\_\_ Birth Date (mm/dd/yyyy): \_\_\_\_\_ Social Security No.: \_\_\_\_\_

Marital Status:  Unmarried (including single, divorced, or widowed)  Married  Separated Are you a U.S. citizen?  Yes  No

Are you a Registered Domestic Partner? (California applicants only)  Yes  No Email Address: \_\_\_\_\_

Residential Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Length at Current Address: \_\_\_ Yrs \_\_\_ Mos Is mailing address the same as residence address above?  Yes  No (please provide below):

Mailing Street Address: \_\_\_\_\_ Unit: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employment Status:  Employed  Unemployed  Retired  Self-Employed (please state nature of your business): \_\_\_\_\_

Employer Name: \_\_\_\_\_ Length of Employment: \_\_\_ Yrs \_\_\_ Mos Length in Current Line of Work: \_\_\_ Yrs \_\_\_ Mos

Employer Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Business Telephone: \_\_\_\_\_ Position/Title: \_\_\_\_\_ Gross Monthly Income Amount: \$ \_\_\_\_\_

Other Monthly Income (complete all that apply):<sup>\*</sup>  Net Retirement/Pension: \$ \_\_\_\_\_  Net Soc. Security: \$ \_\_\_\_\_  Gross Rental: \$ \_\_\_\_\_

Gross Overtime/Commission/Bonus: \$ \_\_\_\_\_  Gross Dividend/Interest: \$ \_\_\_\_\_  Gross Alimony/Child Support: \$ \_\_\_\_\_

Other (please specify source): \$ \_\_\_\_\_ Total Investment Balances (Ex. Savings, Stock/Bonds, IRA/401k, etc.): \$ \_\_\_\_\_

\*Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

## JOINT APPLICANT/OTHER PARTY INFORMATION

(Complete only for the following: joint credit, individual credit relying on income/assets from other sources, applicant is married/Registered Domestic Partner and resides in community property state.)

Name (First, Middle, Last): \_\_\_\_\_ Birth Date (mm/dd/yyyy): \_\_\_\_\_ Social Security No.: \_\_\_\_\_

Marital Status:  Unmarried (including single, divorced, or widowed)  Married  Separated Are you a U.S. citizen?  Yes  No

Are you a Registered Domestic Partner? (California applicants only)  Yes  No Email Address: \_\_\_\_\_

Residential Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ Length at Current Address: \_\_\_ Yrs \_\_\_ Mos Is mailing address the same as residence address above?  Yes  No (please provide below):

Mailing Street Address: \_\_\_\_\_ Unit: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Employment Status:  Employed  Unemployed  Retired  Self-Employed (please state nature of your business): \_\_\_\_\_

Employer Name: \_\_\_\_\_ Length of Employment: \_\_\_ Yrs \_\_\_ Mos Length in Current Line of Work: \_\_\_ Yrs \_\_\_ Mos

Employer Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Business Telephone: \_\_\_\_\_ Position/Title: \_\_\_\_\_ Gross Monthly Income Amount: \$ \_\_\_\_\_

Other Monthly Income (complete all that apply):<sup>\*</sup>  Net Retirement/Pension: \$ \_\_\_\_\_  Net Soc. Security: \$ \_\_\_\_\_  Gross Rental: \$ \_\_\_\_\_

Gross Overtime/Commission/Bonus: \$ \_\_\_\_\_  Gross Dividend/Interest: \$ \_\_\_\_\_  Gross Alimony/Child Support: \$ \_\_\_\_\_

Other (please specify source): \$ \_\_\_\_\_ Total Investment Balances (Ex. Savings, Stock/Bonds, IRA/401k, etc.): \$ \_\_\_\_\_

\*Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

## MONTHLY HOUSING EXPENSE

Mortgage Lender Name: \_\_\_\_\_ Second Mortgage Lender Name: \_\_\_\_\_

Mortgage Current Balance: \$ \_\_\_\_\_ Second Mortgage Current Balance: \$ \_\_\_\_\_

Total Monthly Mortgage Payment (please complete section below): \_\_\_\_\_ Total Second Mortgage Monthly Payment: \$ \_\_\_\_\_

Mortgage Payment: \$ \_\_\_\_\_ Home Owners Insurance: \$ \_\_\_\_\_ Taxes: \$ \_\_\_\_\_ Home Assoc. Dues: \$ \_\_\_\_\_

Signatures: Everything I have stated in this application is correct to the best of my knowledge. I understand that you will retain this application whether or not it is approved. You are authorized to check my credit and employment history and to answer any questions about your credit experience with me. I understand that I must update credit information if my financial condition changes.

Applicant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_ Other Signature (where applicable): \_\_\_\_\_ Date: \_\_\_\_\_

## **THE HOUSING FINANCIAL DISCRIMINATION ACT OF 1977 FAIR LENDING NOTICE**

It is illegal to discriminate in the provision of, or in the availability of, financial assistance because of the consideration of:

1. Trends, characteristics or conditions in the neighborhood or geographic area surrounding a housing accommodation, unless the financial institution can demonstrate in the particular case that such consideration is required to avoid an unsafe and unsound business practice; or
2. Race, color, religion, sex, marital status, national origin or ancestry.

It is illegal to consider the racial, ethnic, religious or national origin composition of a neighborhood or geographic area surrounding a housing accommodation or whether or not such composition is undergoing change, or is expected to undergo change, in appraising a housing accommodation or in determining whether or not, or under what terms and conditions, to provide financial assistance.

These provisions govern financial assistance for the purpose of the purchase, construction, rehabilitation or refinancing of one-to-four-unit family residences occupied by the owner and for the purpose of the home improvement of any one-to-four-unit family residence.

If you have questions about your rights, or if you wish to file a complaint, contact the management of this financial institution or:

**Office of Comptroller of Currency**  
Customer Assistant Group  
1301 McKinney Street  
Suite 3450  
Houston, TX 77010

**NOTICE OF APPLICANT'S RIGHT  
TO RECEIVE A COPY OF THE APPRAISAL**

You have the right to a copy of the appraisal report used in connection with your application for credit. If you wish to receive a copy, please write to us at the mailing address below. We must hear from you no later than 90 days after we notify you about the action taken on your credit application or you withdraw your application.

A written request to obtain a copy of your appraisal report may be mailed to:

Consumer Loan Center  
One Mid America Plaza, 9<sup>th</sup> Floor  
Oakbrook Terrace, IL 60181

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**Important Facts About Interest-Only Lines of Credit**

**Interest-Only Lines of Credit** allow you to pay only the interest on the money you borrowed for the term of the loan. If you make interest-only payments, your payments are not reducing the outstanding principal balance on your Line of Credit.

**If you pay only the amount due, then at the maturity of the interest-only line of credit:**

- You will still owe the original amount you borrowed.
- You must pay back *the entire* principal balance in the form of a balloon payment.

# PRIVACY POLICY

We realize our customers entrust us with personal information, and it is our policy to maintain our customers' information in a confidential manner. We are committed to protecting the security and privacy of our customers' personal information, as well as the personal information of all consumers who visit our Bank or website.

## *Information We Collect*

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms
- Information about your transactions with us, our affiliates, or others
- Information we receive from a consumer reporting agency

## **Sharing Customer Information**

We do not disclose any nonpublic personal information about our customers to non-affiliated third parties except as set forth in this policy and as permitted by law. For example, we share information necessary to service your account, protect against fraud, or when we contract with third-party agents or service providers to provide the services on our behalf. We may also disclose, as permitted by law, all of the information we collect as described above, to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements.

## **Fair Credit Reporting Act Notice of Sharing Information with Affiliates**

**We are permitted under law to share your information with our affiliates about our experiences or transactions with you or your account, such as your account balance and your payment history with us, and information that identifies you, such as your name, address and social security number. We may share other information about you or your account (such as information about your credit status we receive from your application and information from credit reporting agencies) with our affiliates; this information is called "other personal information". You can tell us not to share "other personal information" with our affiliates by filling out the attached form and sending it to us at:**

*PACIFIC NATIONAL BANK  
Operations Center – 8<sup>th</sup> Floor  
1000 E 111<sup>th</sup> Street  
Chicago, IL 60628*

## **Sharing of Former Customer Information**

We share and protect information about former customers the same way we share and protect information about current customers as described above.

## **Maintenance of Accurate Information**

We continually strive to maintain complete and accurate information about you and your accounts. Should you ever believe that our records contain inaccurate or incomplete information about you, please notify us. We will investigate your concerns and correct any inaccuracies.

## **Confidentiality and Security**

We allow access to nonpublic personal information about you only to those employees who need to know that information in order to provide products or services to you. Our employees are trained to respect customer privacy and to access customer information only when they have a business reason to know the information. In addition, we maintain physical, electronic, and procedural safeguards that comply with federal regulations to safeguard your nonpublic information.

## **Children's Online Privacy Protection**

We feel strongly about protecting the privacy of children. As such, we do not knowingly collect or use personal information from children under the age of 13, through our Web site, without obtaining verifiable consent from his or her parents and/or legal guardian. Should we determine that a child under the age of 13 sent or otherwise provided personal information to us, that information will be used only to obtain consent from their parent and/or legal guardian.

**OPT OUT**

If you do not wish to share "other personal information" with our affiliates, complete this form and mail it to us at:

PACIFIC NATIONAL BANK  
Operations Center – 8<sup>th</sup> Floor  
1000 E 111<sup>th</sup> Street  
Chicago, IL 60628

*This request will remain in effect unless revoked by you in writing.*

(For joint accounts, a request by one owner will apply to all owners. If account owners live at different addresses, please ensure the addresses of all account holders are listed on this form).

**PLEASE PRINT CLEARLY**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Other Joint Account Holder if at different address

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

Please do not share information about me with the Bank's affiliates that does not relate solely to the Bank's experience or transactions with me unless otherwise permitted by law.

Form **4506-T**

**Request for Transcript of Tax Return**

(Rev. January 2008)

Department of the Treasury  
Internal Revenue Service

- ▶ **Do not sign this form unless all applicable lines have been completed. Read the instructions on page 2.**
- ▶ **Request may be rejected if the form is incomplete, illegible, or any required line was blank at the time of signature.**

OMB No. 1545-1872

**Tip:** Use Form 4506-T to order a transcript or other return information free of charge. See the product list below. You can also call 1-800-829-1040 to order a transcript. If you need a copy of your return, use **Form 4506**, Request for Copy of Tax Return. There is a fee to get a copy of your return.

<b>1a</b> Name shown on tax return. If a joint return, enter the name shown first.	<b>1b</b> First social security number on tax return or employer identification number (see instructions)
<b>2a</b> If a joint return, enter spouse's name shown on tax return	<b>2b</b> Second social security number if joint tax return
<b>3</b> Current name, address (including apt., room, or suite no.), city, state, and ZIP code	
<b>4</b> Previous address shown on the last return filed if different from line 3	
<b>5</b> If the transcript or tax information is to be mailed to a third party (such as a mortgage company), enter the third party's name, address, and telephone number. The IRS has no control over what the third party does with the tax information.	

**Caution: DO NOT SIGN** this form if a third party requires you to complete Form 4506-T, and lines 6 and 9 are blank.

**6 Transcript requested.** Enter the tax form number here (1040, 1065, 1120, etc.) and check the appropriate box below. Enter only one tax form number per request. ▶ \_\_\_\_\_

- a Return Transcript**, which includes most of the line items of a tax return as filed with the IRS. Transcripts are only available for the following returns: Form 1040 series, Form 1065, Form 1120, Form 1120A, Form 1120H, Form 1120L, and Form 1120S. Return transcripts are available for the current year and returns processed during the prior 3 processing years. Most requests will be processed within 10 business days . . . . .
- b Account Transcript**, which contains information on the financial status of the account, such as payments made on the account, penalty assessments, and adjustments made by you or the IRS after the return was filed. Return information is limited to items such as tax liability and estimated tax payments. Account transcripts are available for most returns. Most requests will be processed within 30 calendar days . . . . .
- c Record of Account**, which is a combination of line item information and later adjustments to the account. Available for current year and 3 prior tax years. Most requests will be processed within 30 calendar days . . . . .
- 7 Verification of Nonfiling**, which is proof from the IRS that you **did not** file a return for the year. Most requests will be processed within 10 business days . . . . .
- 8 Form W-2, Form 1099 series, Form 1098 series, or Form 5498 series transcript.** The IRS can provide a transcript that includes data from these information returns. State or local information is not included with the Form W-2 information. The IRS may be able to provide this transcript information for up to 10 years. Information for the current year is generally not available until the year after it is filed with the IRS. For example, W-2 information for 2006, filed in 2007, will not be available from the IRS until 2008. If you need W-2 information for retirement purposes, you should contact the Social Security Administration at 1-800-772-1213. Most requests will be processed within 45 days . . . . .

**Caution:** If you need a copy of Form W-2 or Form 1099, you should first contact the payer. To get a copy of the Form W-2 or Form 1099 filed with your return, you must use Form 4506 and request a copy of your return, which includes all attachments.

**9 Year or period requested.** Enter the ending date of the year or period, using the mm/dd/yyyy format. If you are requesting more than four years or periods, you must attach another Form 4506-T. For requests relating to quarterly tax returns, such as Form 941, you must enter each quarter or tax period separately.

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**Signature of taxpayer(s).** I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. If the request applies to a joint return, **either** husband or wife must sign. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, trustee, or party other than the taxpayer, I certify that I have the authority to execute Form 4506-T on behalf of the taxpayer.

<b>Sign Here</b>		Date	Telephone number of taxpayer on line 1a or 2a (    )
	Signature (see instructions)		
	Title (if line 1a above is a corporation, partnership, estate, or trust)		
	Spouse's signature	Date	

# NOTICE TO CUSTOMER

Pacific National Bank will hold a security interest in the collateral property. Please make sure that Pacific National Bank is added to the Home Owners Insurance policy. This will be required for final approval.

To Whom It May Concern:

Please add the following to my Home Owners Insurance Policy and fax proof to 630-478-7523 Attn: Consumer Lending Dept.

Loss Payee / Mortgagee (additional insured)

Pacific National Bank or its Successors and/or Assigns  
P.O. Box 1429  
Rohnert Park, CA 94927  
ATTN: Insurance Department  
(800) 743-3898

Thank you for your prompt attention to this request.

\_\_\_\_\_  
Customer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Customer

\_\_\_\_\_  
Date



## The Federal Reserve Board

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### What you should know about Home Equity Lines of Credit



If you are in the market for credit, a home equity plan is one of several options that might be right for you. Before making a decision, however, you should weigh carefully the costs of a home equity line against the benefits. Shop for the credit terms that best meet your borrowing needs without posing undue financial risks. And remember, failure to repay the amounts you've borrowed, plus interest, could mean the loss of your home.

#### What is a home equity line of credit?

A home equity line of credit is a form of revolving credit in which your home serves as collateral. Because a home often is a consumer's most valuable asset, many homeowners use home equity credit lines only for major items, such as education, home improvements, or medical bills, and choose not to use them for day-to-day expenses.

With a home equity line, you will be approved for a specific amount of credit. Many lenders set the credit limit on a home equity line by taking a percentage (say, 75%) of the home's appraised value and subtracting from that the balance owed on the existing mortgage. For example:

Appraised value of home	\$100,000
Percentage	x 75%
Percentage of appraised value	= \$ 75,000
Less balance owed on mortgage	- \$ 40,000
<hr/>	
Potential line of credit	\$ 35,000

In determining your actual credit limit, the lender will also consider your ability to repay the loan (principal and interest) by looking at your income, debts, and other financial obligations as well as your credit history.

Many home equity plans set a fixed period during which you can borrow money, such as 10 years. At the end of this "draw period," you may be allowed to renew the credit line. If your plan does not allow renewals, you will not be able to borrow additional money once the period has ended. Some plans may call for payment in full of any outstanding balance at the end of the period. Others may allow repayment over a fixed period (the "repayment period"), for example, 10 years.

Once approved for a home equity line of credit, you will most likely be able to borrow up to your credit limit whenever you want. Typically, you will use special checks to draw on your line. Under some plans, borrowers can use a credit card or other means to draw on the line.

There may be other limitations on how you use the line. Some plans may require you to borrow a minimum amount each time you draw on the line (for example, \$300) or keep a minimum amount outstanding. Some plans may also require that you take an initial advance when the line is set up.

### What should you look for when shopping for a plan?

If you decide to apply for a home equity line of credit, look for the plan that best meets your particular needs. Read the credit agreement carefully, and examine the terms and conditions of various plans, including the annual percentage rate (APR) and the costs of establishing the plan. Remember, though, that the APR for a home equity line is based on the interest rate alone and will not reflect closing costs and other fees and charges, so you'll need to compare these costs, as well as the APRs, among lenders.

### Variable interest rates

Home equity lines of credit typically involve variable rather than fixed interest rates. The variable rate must be based on a publicly available index (such as the prime rate published in some major daily newspapers or a U.S. Treasury bill rate). In such cases, the interest rate you pay for the line of credit will change, mirroring changes in the value of the index. Most lenders cite the interest rate you will pay as the value of the index at a particular time, plus a "margin," such as 2 percentage points. Because the cost of borrowing is tied directly to the value of the index, it is important to find out which index is used, how often the value of the index changes, and how high it has risen in the past. It is also important to note the amount of the margin.

Lenders sometimes offer a temporarily discounted interest rate for home equity lines--an "introductory" rate that is unusually low for a short period, such as 6 months.

Variable-rate plans secured by a dwelling must, by law, have a ceiling (or cap) on how much your interest rate may increase over the life of the plan. Some variable-rate plans limit how much your payment may increase and how low your interest rate may fall if the index drops.

Some lenders allow you to convert from a variable interest rate to a fixed rate during the life of the plan, or let you convert all or a portion of your line to a fixed-term installment loan.

### Costs of establishing and maintaining a home equity line

Many of the costs of setting up a home equity line of credit are similar to those you pay when you buy a home. For example:

- A fee for a property appraisal to estimate the value of your home;
- An application fee, which may not be refunded if you are turned down for credit;
- Up-front charges, such as one or more "points" (one point equals 1 percent of the credit limit); and
- Closing costs, including fees for attorneys, title search, mortgage preparation and filing, property and title insurance, and taxes.

In addition, you may be subject to certain fees during the plan period, such as annual membership or maintenance fees and a transaction fee every time you draw on the credit line.

You could find yourself paying hundreds of dollars to establish the plan. And if you were to draw only a small amount against your credit line, those initial charges would substantially increase the cost of the funds borrowed. On the other hand, because the lender's risk is lower than for other forms of credit, as your home serves as collateral, annual percentage rates for home equity lines are generally lower than rates for other types of credit. The interest you save could offset the costs of establishing and maintaining the line. Moreover, some lenders waive some or all of the closing costs.

## How will you repay your home equity plan?

Before entering into a plan, consider how you will pay back the money you borrow. Some plans set a minimum monthly payment that includes a portion of the principal (the amount you borrow) plus accrued interest. But, unlike with typical installment loan agreements, the portion of your payment that goes toward principal may not be enough to repay the principal by the end of the term. Other plans may allow payment of *interest only* during the life of the plan, which means that you pay nothing toward the principal. If you borrow \$10,000, you will owe that amount when the payment plan ends.

Regardless of the minimum required payment on your home equity line, you may choose to pay more, and many lenders offer a choice of payment options. Many consumers choose to pay down the principal regularly as they do with other loans. For example, if you use your line to buy a boat, you may want to pay it off as you would a typical boat loan.

Whatever your payment arrangements during the life of the plan--whether you pay some, a little, or none of the principal amount of the loan--when the plan ends, you may have to pay the entire balance owed, all at once. You must be prepared to make this "balloon payment" by refinancing it with the lender, by obtaining a loan from another lender, or by some other means. If you are unable to make the balloon payment, you could lose your home.

If your plan has a variable interest rate, your monthly payments may change. Assume, for example, that you borrow \$10,000 under a plan that calls for interest-only payments. At a 10% interest rate, your monthly payments would be \$83. If the rate rises over time to 15%, your monthly payments will increase to \$125. Similarly, if you are making payments that cover interest plus some portion of the principal, your monthly payments may increase, unless your agreement calls for keeping payments the same throughout the plan period.

If you sell your home, you will probably be required to pay off your home equity line in full immediately. If you are likely to sell your home in the near future, consider whether it makes sense to pay the up-front costs of setting up a line of credit. Also keep in mind that renting your home may be prohibited under the terms of your agreement.

## Lines of credit vs. traditional second mortgage loans

If you are thinking about a home equity line of credit, you might also want to consider a traditional second mortgage loan. This type of loan provides you with a fixed amount of money, repayable over a fixed period. In most cases, the payment schedule calls for equal payments that pay off the entire loan within the loan period. You might consider a second mortgage instead of a home equity line if, for example, you need a set amount for a specific purpose, such as an addition to your home.

In deciding which type of loan best suits your needs, consider the costs under the two alternatives. Look at both the APR and other charges. Do not, however, simply compare the APRs, because the APRs on the two types of loans are figured differently:

- The APR for a traditional second mortgage loan takes into account the interest rate charged plus points and other finance charges.
- The APR for a home equity line of credit is based on the periodic interest rate alone. It does not include points or other charges.



## Disclosures from lenders

The federal Truth in Lending Act requires lenders to disclose the important terms and costs of their home equity plans, including the APR, miscellaneous charges, the payment terms, and information about any variable-rate feature. And in general, neither the lender nor anyone else may charge a fee until after you have received this information. You usually get these disclosures when you receive an application form, and you will get additional disclosures before the plan is opened. If any term (other than a variable-rate feature) changes before the plan is opened, the lender must return all fees if you decide not to enter into the plan because of the change.

When you open a home equity line, the transaction puts your home at risk. If the home involved is your principal dwelling, the Truth in Lending Act gives you 3 days from the day the account was opened to cancel the credit line. This right allows you to change your mind for any reason. You simply inform the lender in writing within the 3-day period. The lender must then cancel its security interest in your home and return all fees--including any application and appraisal fees--paid to open the account.

### What if the lender freezes or reduces your line of credit?

Plans generally permit lenders to freeze or reduce a credit line if the value of the home "declines significantly" or, when the lender "reasonably believes" that you will be unable to make your payments due to a "material change" in your financial circumstances. If this happens, you may want to:

- **Talk with your lender.** Find out what caused the lender to freeze or reduce your credit line and what, if anything, you can do to restore it. You may be able to provide additional information to restore your line of credit, such as documentation showing that your house has retained its value or that there has not been a "material change" in your financial circumstances. You may want to get copies of your credit reports (go to the [Federal Trade Commission's](#) website for information about free copies) to make sure all the information in them is correct. If your lender suggests getting a new appraisal, be sure you discuss appraisal firms in advance so that you know they will accept the new appraisal as valid.
- **Shop around for another line of credit.** If your lender does not want to restore your line of credit, shop around to see what other lenders have to offer. You may be able to pay off your original line of credit and take out another one. Keep in mind, however, that you may need to pay some of the same application fees you paid for your original line of credit.

The information on this form is adapted from the brochure "What You Should Know about Home Equity Lines of Credit." Single or multiple copies of the brochure are available without charge. Order the brochure by telephone, fax or online by visiting the Federal Reserve Board website at [www.federalreserve.gov](http://www.federalreserve.gov).

## Glossary

### Annual membership or maintenance fee

An annual charge for access to a financial product such as a line of credit, credit card, or account. The fee is charged regardless of whether or not the product is used.

### Annual percentage rate (APR)

The cost of credit, expressed as a yearly rate. For closed-end credit, such as car loans or mortgages, the APR includes the interest rate, points, broker fees, and other credit charges that the borrower is required to pay. An APR, or an equivalent rate, is not used in leasing agreements.

### Application fee

Fees charged when you apply for a loan or other credit. These fees may include charges for property appraisal and a credit report.

### Balloon payment

A large extra payment that may be charged at the end of a mortgage loan or lease.

### Cap (interest rate)

A limit on the amount that your interest rate can increase. Two types of interest-rate caps exist. *Periodic adjustment caps* limit the interest-rate increase from one adjustment period to the next. *Lifetime caps* limit the interest-rate increase over the life of the loan. By law, all adjustable-rate mortgages have an overall cap.

### Closing or settlement costs

Fees paid when you close (or settle) on a loan. These fees may include application fees; title examination, abstract of title, title insurance, and property survey fees; fees for preparing deeds, mortgages, and settlement documents; attorneys' fees; recording fees; estimated costs of taxes and insurance; and notary, appraisal, and credit report fees. Under the Real Estate Settlement Procedures Act, the borrower receives a good faith estimate of closing costs within three days of application. The good faith estimate lists each expected cost as an amount or a range.

### Credit limit

The maximum amount that may be borrowed on a credit card or under a home equity line of credit plan.

### Equity

The difference between the fair market value of the home and the outstanding balance on your mortgage plus any outstanding home equity loans.

### Index

The economic indicator used to calculate interest-rate adjustments for adjustable-rate mortgages or other adjustable-rate loans. The index rate can increase or decrease at any time. See chart [Selected Index Rates for ARMs over an 11-year Period](#) in the *Consumer Handbook on Adjustable Rate Mortgages* for examples of common indexes that have changed in the past.

### Interest rate

The percentage rate used to determine the cost of borrowing money, stated usually as a percentage of the principal loan amount and as an annual rate.

### Margin

The number of percentage points the lender adds to the index rate to calculate the ARM interest rate at each adjustment.

**Minimum payment**

The lowest amount that you must pay (usually monthly) to keep your account in good standing. Under some plans, the minimum payment may cover interest only; under others, it may include both principal and interest.

**Points (also called discount points)**

One point is equal to 1 percent of the principal amount of a mortgage loan. For example, if a mortgage is \$200,000, one point equals \$2,000. Lenders frequently charge points in both fixed-rate and adjustable-rate mortgages to cover loan origination costs or to provide additional compensation to the lender or broker. These points usually are paid at closing and may be paid by the borrower or the home seller, or may be split between them. In some cases, the money needed to pay points can be borrowed (incorporated in the loan amount), but doing so will increase the loan amount and the total costs. Discount points (also called discount fees) are points that you voluntarily choose to pay in return for a lower interest rate.

**Security interest**

If stated in your credit agreement, a creditor's, lessor's, or assignee's legal right to your property (such as your home, stocks, or bonds) that secures payment of your obligation under the credit agreement.

**Transaction fee**

Fee charged each time a withdrawal or other specified transaction is made on a line of credit, such as a balance transfer fee or a cash advance fee.

**Variable rate**

An interest rate that changes periodically in relation to an index, such as the prime rate. Payments may increase or decrease accordingly.

## Where to Go for Help

For additional information or to file a complaint about a bank, savings and loan, credit union, or other financial institution, contact one of the following federal agencies, depending on the type of institution.

All phone numbers in this list that begin with the area code 800, 866, 877, and 888 are toll free.

### State-chartered bank members of the Federal Reserve System

#### [Federal Reserve Consumer Help](#)

PO Box 1200

Minneapolis, MN 55480

Phone: 888-851-1920

TDD: 877-766-8533

Fax: 877-888-2520

E-mail: [ConsumerHelp@FederalReserve.gov](mailto:ConsumerHelp@FederalReserve.gov)

### Federally insured state-chartered banks that are not members of the Federal Reserve System

#### [Federal Deposit Insurance Corporation \(FDIC\)](#)

Consumer Response Center

2345 Grand Blvd., Suite 100

Kansas City, MO 64108

Phone: 877-ASK-FDIC (275-3342)

E-mail: [consumeralerts@fdic.gov](mailto:consumeralerts@fdic.gov)

### National banks and national-bank-owned mortgage companies <sup>1</sup>

#### [Office of the Comptroller of the Currency \(OCC\)](#)

Customer Assistance Group

1301 McKinney Street, Suite 3450

Houston, TX 77010

Phone: 800-613-6743

Fax: 713-336-4301

E-mail: [customer.assistance@occ.treas.gov](mailto:customer.assistance@occ.treas.gov)

Also see [Answers & Solutions for Customers of National Banks](#).

### Savings and loan associations <sup>2</sup>

#### [Office of Thrift Supervision \(OTS\)](#)

Consumer Affairs

1700 G Street NW

Washington, DC 20552

Phone: 800-842-6929

TDD: 800-877-8339

### Federally chartered credit unions <sup>3</sup>

#### [National Credit Union Administration \(NCUA\)](#)

Office of Public and Congressional Affairs

1775 Duke Street

Alexandria, VA 22314

Phone: 800-755-1030

Fax: 703-518-6409

E-mail: [consumerassistance@ncua.gov](mailto:consumerassistance@ncua.gov)

For state-chartered credit unions, contact the [regulatory agency in the state](#) in which the credit union is chartered.

### Small businesses

#### [Small Business Administration \(SBA\)](#)

Consumer Affairs

409 3rd Street SW

Washington, DC 20416

Phone: 800-U-ASK-SBA (827-5722)

TDD: 704-344-6640

E-mail: [answerdesk@sba.gov](mailto:answerdesk@sba.gov)

### Finance companies, stores, auto dealers, mortgage companies, and other lenders, and credit bureaus

#### [Federal Trade Commission \(FTC\)](#)

Consumer Response Center-240

600 Pennsylvania Avenue NW

Washington, DC 20580

Phone: 877-FTC-HELP (382-4357)  
TDD: 866-653-4261  
Also see [Fighting Back Against Identity Theft](#).

### **Fair lending and fair housing issues**

U.S. Department of Justice (DOJ)  
950 Pennsylvania Avenue NW  
Washington, DC 20530  
Phone: 202-514-3301

[Complaints involving housing discrimination](#)

[Complaints involving other matters](#)

[Department of Housing and Urban Development \(HUD\)](#)

Office of Fair Housing and Equal Opportunity  
451 7th Street SW  
Washington, DC 20410  
Phone: 800-669-9777  
TDD: 800-927-9275

### **Brokerage firms, mutual fund companies, and investment advisers**

[Securities and Exchange Commission \(SEC\)](#)

Complaint Center  
100 F Street NE  
Washington, DC 20549  
Phone: 202-551-6551  
Fax: 202-772-9295

### **Commodity brokers, commodity trading advisers, commodity pools, and introducing brokers**

[Commodity Futures Trading Commission \(CFTC\)](#)

Division of Enforcement  
1155 21st Street NW  
Washington, DC 20581  
Phone: 866-366-2382

### **Footnotes**

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1. National banks are banks with "National" in their name or "N.A." after the name.
  2. Federally chartered and some state-chartered associations.
  3. Credit unions with "Federal" in their name.

## Home Equity Plan Checklist

Ask your lender to help fill out this checklist.

### Basic Features

	Plan A	Plan B
Fixed annual percentage rate	_____ %	_____ %
Variable annual percentage rate	_____ %	_____ %
• Index used and current value	_____ %	_____ %
• Amount of margin	_____	_____
• Frequency of rate adjustments	_____	_____
• Amount/length of discount (if any)	_____	_____
• Interest rate cap and floor	_____	_____

### Length of plan

Draw period	_____	_____
Repayment period	_____	_____

### Initial fees

Appraisal fee	_____	_____
Application fee	_____	_____
Up-front charges, including points	_____	_____
Closing costs	_____	_____

### Repayment Terms

#### During the draw period

Interest and principal payments	_____	_____
Interest-only payments	_____	_____
Fully amortizing payments	_____	_____

#### When the draw period ends

Balloon payment?	_____	_____
Renewal available?	_____	_____
Refinancing of balance by lender?	_____	_____