

HOME EQUITY CREDIT APPLICATION

IMPORTANT APPLICATION INFORMATION: Federal law requires financial institutions to obtain sufficient information to verify your identity. You may be asked several questions and asked to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

TYPE OF CREDIT REQUESTED

- Secured Unsecured
 Individual credit Joint credit

We intend to apply for joint credit (initials) _____

Amount requested \$ _____	How long _____
Payment date desired _____	Loan purpose _____

INDIVIDUAL APPLICANT INFORMATION

Name _____ Birth date _____ Telephone number _____ Social security number _____
 Present address _____ City _____ State _____ Zip _____ How long? _____
 Previous address _____ City _____ State _____ Zip _____ How long? _____
 Number of dependents _____ Age(s) of dependent(s) _____
 Employer (company name and address) _____
 How long? _____ Business telephone _____
 Position/Title _____ Gross income per month \$ _____ How often are you paid? _____
 Previous employer (company name and address) _____ How long? _____
 Gross income per month \$ _____ Name of nearest relative not living with you _____ Relationship _____
 Address _____ City _____ State _____ Zip _____ Telephone number _____
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.
 Alimony, child support, separate maintenance received under: Court order Written agreement Oral understanding
 Sources of other income _____ Amount per month \$ _____

JOINT APPLICATION OR OTHER PARTY INFORMATION

Complete only if: applying for joint credit, for individual credit relying on income or assets from other sources, or applicant is married and resides in a community property state.

Name _____ Birth date _____ Telephone number _____ Social security number _____
 Present address _____ City _____ State _____ Zip _____ How long? _____
 Relationship to applicant (if any) _____
 Number of dependents _____ Age(s) of dependent(s) _____
 Employer (company name and address) _____ How long? _____
 Business telephone _____ Position/Title _____
 Gross income per month \$ _____ How often are you paid? _____
 Name of nearest relative not living with you _____ Relationship _____
 Address _____ City _____ State _____ Zip _____ Telephone number _____
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.
 Alimony, child support, separate maintenance under: Court order Written agreement Oral understanding
 Sources of other income _____ Amount per month \$ _____

MARITAL STATUS Complete only if: applying for joint or secured credit, or applicant resides in a community property state or is relying on property located in such a state.

- Applicant: Married Separated Unmarried* (*Includes single, divorced or widowed)
 Other Party: Married Separated Unmarried* (*Includes single, divorced or widowed)

ASSETS If a joint party is listed on the application, please include information for both the applicant and the joint applicant.

Assets Owned (Use separate sheet if necessary.)

DESCRIPTION OF ASSETS – PLEASE INCLUDE ACCOUNT NUMBERS	WHERE ACCOUNTS ARE HELD (IF APPLICABLE)	VALUE
Checking account(s)		\$
Savings account(s) or certificate(s) of deposit		\$
Marketable securities (issuer, type, number of shares)		\$
Vested interest in retirement fund		\$
Life insurance (issuer, face value)		\$
Real estate (location)		\$
Vehicles (make, model, year)		\$
Other assets (describe)		\$
Total assets		\$

LIABILITIES

If a joint party is listed on the application, please include information for both the applicant and the joint applicant.

Outstanding Liabilities

(Including charge accounts, installment contracts, credit cards, rent, mortgages and other obligations. Use separate sheet if necessary.)

CREDITOR	ACCOUNT NUMBER	MONTHLY PAYMENTS	PRESENT BALANCE (OMIT RENT)
Landlord or mortgage holder	<input type="checkbox"/> Rent <input type="checkbox"/> Mortgage	\$	\$
Vehicles (make, model, year)		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
Total liabilities		\$	\$

Net worth (total assets minus total liabilities) \$ _____

Complete the following information about both the Applicant and Joint Applicant or Other Person (if applicable):

Are you obligated to make alimony, support or maintenance payments? No Yes
 If yes, to (name and address) _____ Amount per month \$ _____
 Are you a comaker, endorser, or guarantor on any loan or contract? No Yes
 If yes, for whom? _____ To whom? _____
 Monthly payment \$ _____ Present balance \$ _____
 Are there any unsatisfied judgments against you? No Yes If yes, to whom owed? _____ Amount \$ _____
 Have you declared bankruptcy in the last 10 years? No Yes If yes, where? _____ Year _____

SECURED CREDIT

Complete only if credit is to be secured. Briefly describe the property to be given as security and indicate if others have an ownership interest.

Property description _____
 Names and addresses of all co-owners of the property _____
 If the security is real estate, give the full name of your spouse (if any) _____

SIGNATURES

I certify that everything I have stated in this application and on any attachments is correct. Lender may keep this application whether or not it is approved. By signing below I authorize Lender to check my credit and employment history and to answer questions others may ask Lender about my credit record with Lender. I understand that I must update credit information at Lender's request if my financial condition changes.

Applicant's signature _____ Date _____
 Other signature (where applicable) _____ Date _____

Loan Originator's Signature _____	Loan Originator's Identifier _____	Loan Originator's Phone Number _____
Loan Origination Company's Name First National Bank of Northfield	Loan Origination Company Identifier 478194	Loan Origination Company's Address _____



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DOWNTOWN ■ 329 Division Street ■ 507-645-5656 ■ FAX 507-645-6873
SOUTH ■ 1611 Honey Locust Drive ■ 507-664-0820 ■ FAX 507-664-0801





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TEL 507-645-5656 ■ FAX 507-645-6873

FIRST NATIONAL – SOUTH
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Registered Mortgage Loan Originators

Becky Behrens NMLS #523458
Phone: 507-664-0820

Kim Schweich NMLS #523459
Phone: 507-664-0820

Robb Nelson NMLS #526050
Phone: 507-664-0820

NOTICE OF RIGHT TO RECEIVE A COPY OF APPRAISAL REPORT

We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

("You" means Applicant; and "We" means the Bank.)



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THE FIRST NATIONAL BANK OF NORTHFIELD

329 DIVISION STREET

PO BOX 59

NORTHFIELD, MN 55057

Telephone: (507) 645-5656

Fax Number: (507) 645-6873

Web Address: firstnationalnorthfield.com

Email Address: info@firstnationalnorthfield.com

Lender

Borrower

HOME EQUITY

This disclosure contains important information about our HOME EQUITY. You should read it carefully and keep a copy for your records.

1. 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 that you have paid to us or anyone else in connection with your application.

2. 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.

3. POSSIBLE ACTIONS. Under certain circumstances, we can:

- A. Terminate your line of credit and require you to pay us the entire outstanding balance in one payment;
- B. Refuse to make additional extensions of credit;
- C. Reduce your credit limit; and
- D. Make specific changes that are set forth in your agreement with us.

We can terminate your line of credit and require you to pay us the entire outstanding balance in one payment if:

- A. You engage in fraud or material misrepresentation in connection with the line of credit;
- B. You fail to make a payment as required by the agreement; or
- C. Your action or inaction adversely affects the collateral or our rights in the collateral.

We can refuse to make additional extensions of credit or reduce your credit limit if:

- A. The value of the dwelling securing the line of credit declines significantly below its appraised value for purposes of the line of credit;
- B. We reasonably believe you will not be able to meet the repayment requirements under the line of credit due to a material change in your financial circumstances;
- C. You are in default of a material obligation of the agreement;
- D. Government action prevents us from imposing the annual percentage rate provided for in the agreement, or impairs our security interest such that the value of the interest is less than 120 percent of the credit limit on the line of credit;
- E. A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice; or
- F. The maximum annual percentage rate is reached.

The initial agreement permits us to make certain changes in the terms of the line of credit at specified times or upon the occurrence of specified events.

4. MINIMUM PAYMENT REQUIREMENTS. You can obtain credit advances for 10 years. During this period, payments will be due monthly. Your minimum monthly payment will equal the greater of the following:

- * The amount of accrued finance charges on the last day of the billing cycle;
- * \$50.00; or
- * 1.500 percent of the loan account balance on the last day of the billing cycle.

The minimum payment amount will be rounded to the nearest \$.01. Whenever a flat dollar amount is used to determine the minimum payment however, the minimum payment will be rounded to the nearest \$.01. The minimum monthly payments may not be sufficient to fully repay the principal that is outstanding on your line of credit at the end of 10 years. If they are not, you will, to the extent permitted by law, be required to pay the entire balance in a single payment.

5. MINIMUM PAYMENT EXAMPLE. If you made only the minimum monthly 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 4.990%. During that period, you would make 119 payments varying between \$150.62 and \$50.00, with a final payment of \$2,638.98.

6. FEES AND CHARGES. You must pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total \$200.00 to \$1,500.00. The following are an estimate of third party fees:

- * Appraisal: \$450.00
- * Credit report: \$50.00
- * Title search: \$200.00
- * Mortgage Registration Tax: .0023 x amount of the mortgage
- * Filing Fee: \$46.00
- * Exam Fee: \$250.00

- * Flood Determination: \$11.00
- * Flood Monitoring: \$5.00
- * Conservation Fee: \$5.00

You must carry insurance on the property that secures the line of credit.

7. REFUNDABILITY OF FEES. If you decide not to enter into this plan within three days of receiving this disclosure and the Home Equity Booklet, you are entitled to a refund of any fee you may have already paid.

8. MINIMUM DRAW REQUIREMENTS. The minimum credit advance that you can receive is \$500.00. The minimum initial credit advance must be at least \$500.00.

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

10. AVAILABILITY OF OTHER HOME EQUITY PLANS. If you ask, we will provide you with information on our other available home equity lines of credit.

11. VARIABLE RATE FEATURES. This line of credit has a variable rate feature and the annual percentage rate (corresponding to the periodic rate) and the minimum monthly payment can change as a result. The annual percentage rate includes only interest and not other costs. The annual percentage rate is based on the value of an index. The index is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate and is published daily in the Wall Street Journal. To determine the annual percentage rate that will apply to your line of credit, we add a margin to the value of the index and then round to the nearest .001 percent. Ask us for the current index value, margin, and annual percentage rate. After you open a line of credit, rate information will be provided on periodic statements that we send you.

12. RATE CHANGES. The annual percentage rate can change daily. There is no limit on the amount by which the rate can change in any one year period. The maximum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 18.000 percent. The lifetime floor to your **ANNUAL PERCENTAGE RATE** will be selected from the following range: between 3.990 percent and 4.990 percent. Ask us for the specific rate limitation that will apply to your line of credit. This line of credit has a "preferred rate" provision. This means that if you terminate your automatic debit agreement with us, your annual percentage rate will increase. Your new **ANNUAL PERCENTAGE RATE** will be determined by adding 0.250 percentage point(s) to the index value plus margin value normally used to calculate your annual percentage rate. This new annual percentage rate may be affected by rate caps.

13. MAXIMUM RATE AND PAYMENT EXAMPLES. If you had an outstanding balance of \$10,000.00 the minimum monthly payment at the maximum **ANNUAL PERCENTAGE RATE** of 18.000 percent would be \$152.25. The maximum annual percentage rate could be reached in the 1st month (1 month) following an initial hold of 1 day.

14. HISTORICAL EXAMPLES. 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 last 15 years. The index values are from the first business day of November. 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 payment was made, and that the rate remained constant during each year. It does not necessarily indicate how the index or your payments would change in the future.

Year	Index (%)	Margin (%)	ANNUAL PERCENTAGE RATE (%)	Minimum Monthly Payment (\$)
2002	4.750	0.000	4.990 (K)	150.62
2003	4.000	0.000	4.990 (K)	132.06
2004	4.750	0.000	4.990 (K)	115.78
2005	7.000	0.000	7.000	101.67
2006	8.250	0.000	8.250	91.03
2007	7.500	0.000	7.500	82.39
2008	4.000	0.000	4.990 (K)	73.90
2009	3.250	0.000	4.990 (K)	64.79
2010	3.250	0.000	4.990 (K)	56.81
2011	3.250	0.000	4.990 (K)	50.00 (P)
2012	3.250	0.000	4.990 (K)	N/A
2013	3.250	0.000	4.990 (K)	N/A
2014	3.250	0.000	4.990 (K)	N/A
2015	3.250	0.000	4.990 (K)	N/A
2016	3.500	0.000	4.990 (K)	N/A

(K) This reflects a lifetime floor of 4.990 percent.

(P) At the end of this year a balloon payment of \$2,911.34 would occur. You would be required to pay the entire balance in one payment.

This statement is not an offer to enter into an interest rate or discount point agreement. Such an offer may only be made pursuant to Minnesota Statutes 47.206, subd. 3 and 4.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of 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 for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

APPLICANT'S SIGNATURE

DATE

APPLICANT'S SIGNATURE

DATE



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FACTS**WHAT DOES THE FIRST NATIONAL BANK OF NORTHFIELD DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- Overdraft history and payment history
- Credit history and credit scores

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reason The First National Bank of Northfield chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does The First National Bank of Northfield share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
For our marketing purposes— to offer our products and services to you	YES	NO
For joint marketing with other financial companies	YES	NO
For our affiliates' everyday business purposes— information about your transactions and experiences	YES	NO
For our affiliates' everyday business purposes— information about your creditworthiness	NO	WE DON'T SHARE
For nonaffiliates to market to you	NO	WE DON'T SHARE

Questions?

Call 507-645-5656 or go to: www.firstnationalnorthfield.com

What we do	
How does The First National Bank of Northfield protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does The First National Bank of Northfield collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or deposit money ■ pay your bills or apply for a loan ■ use your credit or debit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include companies with a common corporate identity of the First National Bank of Northfield; financial companies such as Heywood Bancshares Inc.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>The First National Bank of Northfield does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Our joint marketing partner includes Elan Credit Card</i>

INFORMATION DISCLOSURE AUTHORIZATION

To Whom It May Concern:

I/We hereby authorize you to release to First National Bank Northfield, for verification purposes, information concerning:

- Employment history (dates, title, income, hours worked, etc.)
- Checking, savings and certificate of deposit accounts, loans outstanding and additional information which may be of assistance in determination of credit worthiness.
- Mortgage loan rating (opening date, high credit, payment amount, loan balance and payment record, loan payoff statement) and/or rental account history.
- Any information deemed necessary in connection with a consumer credit application for a real estate transaction.

This information is for the confidential use of this lender in compiling a mortgage loan application.

A photographic copy of this authorization (being a photographic copy of the signature(s) of the undersigned), may be deemed to be the equivalent of the original and may be used as a duplicate original.

Your prompt reply will help my real estate transaction.

APPLICANT'S SIGNATURE

SOCIAL SECURITY NUMBER

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APPLICATION CHECKLIST FOR A HOME EQUITY LINE OF CREDIT

Please provide the following information to assist us in processing your loan application quickly and accurately. There may be additional information that we may need to request to make your loan application complete.

INCOME VERIFICATION:

- Paystubs covering the most recent 30 days for each applicant (including a year-to-date summary)
- Copies of W-2 and federal income tax forms with all schedules for the last two years
- Proof of other sources of income (if using for qualifying)

FOR SELF-EMPLOYED BORROWERS, YOU WILL ALSO NEED TO PROVIDE:

- Copies of your business federal income tax forms with all schedules for the last two years (K-1s, if applicable)
- Copy of an extension to file your income taxes, if applicable
- Current profit and loss statement
- Current balance sheet

CHILD SUPPORT/ALIMONY:

- If you are required to pay child support or alimony, please provide a complete copy of signed decree including any stipulations and modifications
- If you wish to have child support/alimony considered as a basis for repaying your loan, please provide a complete copy of signed decree including any stipulations and modifications. You may be asked to provide documentation to show receipt of payments.

ADDITIONAL INFORMATION WE WILL NEED TO KNOW:

- Amount you would like to borrow
- Total outstanding balance of all loans secured by the property
- Information on the current obligations you wish to pay off with this transaction including lender's name, address and phone number, loan account number, balance and monthly payment
- Estimated property value
- If approved, please be prepared to provide information about your homeowner's insurance and the title to your property (owner's title insurance policy, your abstract or torrens certificate)



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