

rate may change monthly as a result of the Prime Rate changing. If the Prime Rate was at 8% then the interest rate would be 9%. (8% + 1 = 9%).

Q: What is the payment rate?

A: The payment rate per month is interest only or \$25 whichever is greater.

Q: Is there a time limit on this line of credit?

A: Yes. You may draw (obtain advances) on the available line of credit for 10 years. After the draw period ends, you will no longer be able to obtain credit advances, (unless a new line of credit is established) and must repay the outstanding balance over the next 15 years.

Q: Can an Equity Power loan be paid off early?

A: Yes. There is no charge for early repayment.



Q: Will a credit report be required?

A: Yes. Because this is a major loan, the bank will carefully review the loan application and will check with your first mortgage holder (if one exists) and, also, a credit reporting agency.

Q: Will employment be verified?

A: Yes. Because the bank is making this loan based upon your ability to repay, employment and amount of income will be verified.

Q: How do I apply for an Equity Power line of credit?

A: Applications may be obtained at the bank or can be mailed to you. Once an application is completed, the application and required documents must be returned to the bank.



Member FDIC

Main Office

530 Fourth Avenue
Fairbanks, Alaska 99701
(907) 452-1751

University Branch

1380 University Avenue
Fairbanks, Alaska 99707
(907) 474-1770

Northeast Branch

1248 Old Steese Highway
Fairbanks, AK 99701
Phone: (907) 374-7075

North Pole Branch

45 St. Nicholas Dr.
North Pole, Alaska 99705
(907) 488-4438

Delta Branch

1380 Richardson Hwy
Delta Junction, Alaska 99737
(907) 895-4350

www.mtmckinleybank.com

TTY (907) 451-4688



A State Chartered Mutual Bank

**EQUITY
POWER**
EQUITY LINE OF CREDIT





You could get the money you need and a tax break, too. If you're a homeowner you may be able to take advantage of our Home Equity Line Of Credit. It lets you put the equity you've built up in your home to work for you. It may also offer full deductibility of loan interest on your federal income taxes.

This brochure should answer most of your questions regarding this loan. If you're interested in applying for one, come to Mt. McKinley Bank and complete an application. We also will be happy to send you an application and a detailed statement of our Equity Power program.



Q: Is there a minimum and maximum line of credit?

A: Yes. The minimum line is \$5,000 and the maximum line is \$100,000.

Q: How much can I borrow?

A: The amount you can borrow depends on two major items:

- Ability to repay, and
- The equity in the house

If approved for a line of credit, you may be able to borrow up to 80 percent of the appraised value of your home minus any outstanding first mortgage.

The following is an example of how this works:

Appraised value	\$150,000
Multiply by	x .80
	<hr/> 120,000
Minus 1st mortgage	- 82,500
Maximum line of credit	\$37,500

Q: Do I need to borrow the full amount at one time?

A: No. The amount approved will be an open-end line of credit. With a line of credit, you can borrow whatever amount you want up to the maximum loan amount.

Q: How will an open-end line of credit work?

A: If approved for the open-end line of credit, you will receive Equity Power Checks to draw on the line of credit.

Q: How will the Equity Power Checks work?

A: Equity Power Checks work just like regular checks. You may not exceed the maximum amount of approved credit less any outstanding loan balance. The amount of each check will be added to your loan balance.

Q: What happens if I overdraw the line of credit?

A: If you write a check for an amount that is more than the unused amount of credit available, the check will not clear because of insufficient funds (it will bounce), and the bank will charge you a fee. You may also be in default of the entire lending agreement.

Q: What can an Equity Power loan be used for?

A: An Equity Power loan can be used for many common money needs. For example: home repairs, college expenses, debt consolidation and other worthwhile needs. It is important for you to realize that you are using your home for collateral and if you are unable to repay the loan, you could lose your home.

Q: What is the primary benefit of an Equity Power loan?

A: For many people, there is a tax advantage associated with borrowing against the equity in their primary residence. You should ask your tax advisor how this advantage might apply to your tax situation.



Q: What is a home equity loan?

A: It is a loan that is secured by a mortgage on your home.

Q: Why is it called an "open-end line of credit"?

A: The term open-end refers to the fact that if your application is granted, you will be given a line of credit from which you may draw any amount up to the maximum line of credit whenever needed and for whatever purpose you choose.

Q: Is this line of credit a revolving line?

A: Yes. As you repay a portion or all of the outstanding balance, you are then able to borrow up to the maximum amount of the line again.

Q: What does the term "appraised value" of my house mean?

A: Before a line of credit can be granted, a professional appraiser must establish the market value of your home. This appraised value will be used to establish the maximum line available.

Q: Can I obtain money immediately?

A: No. The Truth in Lending Act gives a person 3 days from the day the account was opened to cancel the credit line. For that reason, funds will not be disbursed until after the applicable rescission period.



Q: What is the interest rate on an Equity Power loan?

A: The interest rate (Annual Percentage Rate) for the Equity Power loan is based upon the highest Prime Rate published in The Wall Street Journal plus a margin. The margin is 1 percentage point although the bank may, from time to time, temporarily charge less. Your interest

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