

Provident Bank
Consumer Lending
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FIXED RATE
HOME EQUITY LOAN DISCLOSURE

Introduction

Provident Bank reserves the right to make subsequent changes at any time with regard to any matter covered in this statement as a result of a change in policy, law, regulation or otherwise.

PART I
Transfer or Sale of Your Home

If you sell or transfer your home to someone else without Provident Bank's prior written consent (with certain exceptions set forth in the loan documents) the "due on sale" clause in your loan documents provides that all sums (including the outstanding principal balance) owed under the loan documents could become immediately due and payable. This would mean that a large payment could be due at that time, and Provident Bank would not be obligated to refinance the loan. Should you fail to pay all sums due at that time, Provident Bank may exercise other rights it possesses under the loan documents, such as the forced sale of the home, in accordance with applicable laws and regulations.

Late Payment

Your loan documents require you to make monthly payments in a timely manner, until the loan is repaid. If you fail to make your loan payments when due, you will be in default under the loan documents, which could result in Provident Bank declaring all sums under the loan to be due, and which could result in a forced sale of your home in accordance with applicable laws and regulations. You may however, be entitled to correct this payment default by promptly making the required monthly payment.

Prepayment Charge

Provident Bank does not impose prepayment penalties on its Fixed Rate Home Equity Loans.

Fees and Charges

The appropriate county recording fee will be paid from the proceeds of the loan at the time of closing. The recording fee is determined by the county clerk's office for the county the subject property is located. The fee is paid to the county clerk's office to record your mortgage document.

Flood Insurance

As a federally regulated institution, if the subject property is located in a FEMA designated high risk flood area, Congress has mandated that flood insurance is required. Provident Bank is required by government regulations to escrow funds for the payment of the flood insurance premiums.

**Non-Default Events Which May Result in the Acceleration of the
Mortgage Debt or Foreclosure of the Property**

The mortgage documents provide for a number of events which can result in the acceleration of the entire mortgage debt or Provident Bank instituting foreclosure actions. Most of these events concern your failure to perform your obligations under the mortgage loan documents. There is only one non-default event which can result in the acceleration of the entire mortgage debt or Provident Bank instituting foreclosure proceedings.

This is where you sell or transfer all or part of the property to someone else, which was discussed above under “Transfer or Sale of Your Home.”

PART II

Interest Rate and Term

The interest rate charged on Fixed Rate Home Equity Loans is established by the senior management of Provident Bank, after considering Provident Bank’s cost of funds and the local market conditions prevailing at the time. The interest rate on your loan will remain fixed throughout the term of your loan. Provident Bank Fixed Rate Home Equity Loans have terms up to 20 years.

Customers are not guaranteed to be able to refinance their transactions in the future.

At the time a loan is made, Provident Bank determines the amount of your monthly payments based upon an “Amortization Schedule.” To arrive at the Amortization Schedule, Provident Bank takes three factors into consideration: the total amount you will owe, the interest rate charged on the loan and the maturity date of the loan. Your scheduled monthly payments will be computed so that your loan will be repaid in full by the maturity date in substantially equal monthly payment amounts.

Because the monthly payments are computed to be substantially equal, a greater proportion of the monthly payments during the early years of the loan are applied to interest and a smaller amount is applied to reducing the principal loan balance. As each monthly payment is made, a greater percentage of the monthly payment is applied to the reduction of principal and a smaller amount of the monthly payment is applied to interest. This occurs because the principal balance is reduced with each monthly payment. Keep in mind that the Amortization Schedule is determined based upon the assumption that you make all monthly payments on time and that there will be no prepayment, late payments or missed payments. Also, the term “monthly payment,” as used here, refers only to payments of principal and interest.

Notice of Right to Receive Appraisal Copy

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.