KEYSTONE SAVINGS BANK 81 MAIN STREET KEYSTONE, IA 52249 Telephone: 319-442-3218 Fax Number: 319-442-3225 Web Address: WWW.KEYSTONESAVINGS.BANK	
Lender	Borrower

HOME EQUITY 10 YEAR 81 - 90% LTV

This disclosure contains important information about our HOME EQUITY 10 YEAR 81 - 90% LTV. 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; and

C. Reduce your credit limit.

If you ask, we will give you more specific information about when we can take these actions.

4. MINIMUM PAYMENT REQUIREMENTS. You can obtain credit advances for 120 months. During this period, payments will be due monthly. Your minimum monthly payment will equal the greater of the following:

* $50.00; or
* 1.000 percent of the principal balance outstanding on the last day of the billing cycle.

The minimum payment amount will be rounded up 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 120 months. 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 9.000%. During that period, you would make 119 payments varying between $100.00 and $74.43, with a final payment of $7,479.19.

6. FEES AND CHARGES. To open and maintain a line of credit, you must pay the following fees to us:

* Maintenance: $12.00 (due annually)

Note that some fees may only apply upon the occurrence of an event and have been provided for informational purposes only.

You must also pay certain fees to third parties, such as appraisers, credit reporting firms, and government agencies. These fees generally total $205.00 to $700.00. If you ask, we will provide you with an itemization of the fees you will have to pay to third parties.

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 business days of receiving this disclosure and the home equity brochure, 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 request and receive is $100.00.

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 .125 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 every 3 months. The rate cannot increase or decrease by more than 3.000 percentage points(s) per adjustment. The **ANNUAL PERCENTAGE RATE** can not increase by more than 6.000 percentage point(s) above the initial rate. The minimum **ANNUAL PERCENTAGE RATE** that can apply during the line of credit is 5.000 percent. Ask us for the specific rate limitation that will apply to your line of credit.

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 15.000 percent would be $100.00. The maximum annual percentage rate could be reached in the 4th month (4 months) following an initial hold of 3 months.

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 June. While only one payment

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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 ($)
2011	3.250	1.500	5.000	(K)	100.00
2012	3.250	1.500	5.000	(K)	93.22
2013	3.250	1.500	5.000	(K)	86.90
2014	3.250	1.500	5.000	(K)	81.01
2015	3.250	1.500	5.000	(K)	75.52
2016	3.500	1.500	5.000		70.40
2017	4.000	1.500	5.500		65.63
2018	4.750	1.500	6.250		61.48
2019	5.500	1.500	7.000		58.04
2020	3.250	1.500	5.000	(K)	55.20
2021	3.250	1.500	5.000	(K)	N/A
2022	4.000	1.500	5.500		N/A
2023	8.250	1.500	9.750		N/A
2024	8.500	1.500	10.000		N/A
2025	7.500	1.500	9.000		N/A

* This is a margin we have used recently; your margin may be different.

(K) This reflects a lifetime floor of 5.000 percent.

This is not a commitment to make a loan.

You hereby acknowledge receipt of this Home Equity Plan Disclosure
and a copy of the Home Equity Brochure on today's date.

____________________________ Date________________

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