

IMPORTANT TERMS OF OUR HOME EQUITY LINE OF CREDIT

Commerce Bank
922 Walnut
Kansas City, MO 64106

This disclosure contains important information about our Home Equity Line of Credit with a Loan to Value greater than 80%, and a 2.99% introductory rate for 6-months and a 10-year term (hereafter the “Line” or “HELOC Account”). You should read it carefully and keep a copy for your records.

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 not to enter into an agreement with us, you are entitled to a refund of any fees you paid to us or anyone else in connection with your application.

Security Interest: We will take a mortgage on your home. You could lose your home if you do not meet the obligations in your agreement with us.

Possible Actions: We can terminate your Line and require you to pay us the entire outstanding balance in one payment and charge you certain fees if:

- You engage in fraud or material misrepresentation in connection with the Line.
- You do not meet the repayment terms.
- 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:

- The value of the dwelling securing the Line declines significantly below its appraised value for purposes of the Line.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of a material obligation in the agreement.
- Government action prevents us from imposing the annual percentage rate provided for or impairs the priority of our security interest such that the value of the interest is less than 120 percent of the credit line.
- The maximum annual percentage rate is reached.
- The initial Agreement permits us to make changes to the terms of the Agreement at specified times or upon the occurrence of specified events.

- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.

Minimum Payment Requirements: You can obtain advances of credit until the maturity date stated on your Line ("Draw Period"). Your minimum monthly payment will be based on 1.5% of your outstanding principal balance. You are required to make the minimum monthly payment, each month, on or before the due date listed on your monthly statement, until the maturity date. You will make 119 minimum monthly payments. You will then be required to pay the entire balance owing in a single balloon payment, because the minimum monthly payments will not repay the principal that is outstanding on your Line.

A change in the ANNUAL PERCENTAGE RATE can cause the balance to be repaid more quickly or more slowly. When rates decrease less interest is due, so more of the payment repays the principal balance. When the rates increase, more interest is due, so less of the payment repays the principal balance. If this happens, we may adjust your payment as follows: your final payment may be increased.

You may repay all or part of the new (principal) balance shown on your monthly statement at any time without penalty.

Minimum Payment Example: If you made only the minimum payments and took no other credit advances, it would take 10 years to pay off a credit advance of \$10,000 at the ANNUAL PERCENTAGE RATE of 5.750%. During that period, you would make 119 payments ranging from \$150.00 to \$44.72 and one final payment of \$2,964.80.

Fees and Charges: You may also be required to pay certain fees to third parties to open a Line. These fees generally total between \$0.00 and \$9,999.00. If you ask, we will give you an itemization of the fees you will have to pay to third parties.

Property Insurance: You must carry insurance on the property that will secure the Line.

Transaction Requirements: You may request advances from your HELOC Account by writing a Home Equity Line of Credit Check ("Check") or by any other methods of access as provided by us, such as making transfers initiated by electronic means as permitted or authorized by us.

Tax Deductibility: You should consult a tax advisor regarding the deductibility of interest and charges for the Line.

Additional Home Equity Programs: Ask us about our other available Home Equity Line of Credit options.

Variable Rate Information: The Line 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 no other costs.

The annual percentage rate is based on the value of an index. The Index is the **U.S. Prime Rate** as published in the "Money Rates" column of the Wall Street Journal ("**Index**"). Information about the Index is available or will be published in the Wall Street Journal. To determine the annual percentage rate that will apply to your line, we add a margin to the value of the Index.

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

Explanation of the Introductory Rate: If you have an introductory rate on your Line, it will last for the six (6) months after your HELOC Account is opened. After the introductory rate, your daily periodic rate and corresponding ANNUAL PERCENTAGE RATE will be calculated using the Index plus a margin. Your rate may change in accordance with the "Rate Changes and Limitations" section of this document.

Rate Changes and Limitations: The annual percentage rate can change each month. We will use the most recent Index available to us as of the last business day of each calendar month for any annual percentage rate adjustment. Adjustments to the daily periodic rate and the corresponding ANNUAL PERCENTAGE RATE resulting from changes in the Index will take effect on the first day of each monthly billing period which begins on or after the first day of the calendar month following the change in the Index. However, under no circumstance will your ANNUAL PERCENTAGE RATE exceed **17.65%** or go below **3.99%** per annum at any time during the term of the Line. Except for the limits stated, there is no limit on the amount by which the rate can change during any one-year period.

Maximum Rate and Payment Examples: If the ANNUAL PERCENTAGE RATE during the Draw Period equaled the 17.65% maximum and you had an outstanding balance of \$10,000, the maximum monthly payment would be \$150.00. This maximum ANNUAL PERCENTAGE RATE could be reached during the first month of the Draw Period.

Historical Example: The following table shows how the ANNUAL PERCENTAGE RATE and the minimum monthly payments for a single \$10,000 credit advance would have changed based on changes in the Index over the past 15 years. The index values are as of the last business day in the month of July each year. While only one payment amount per year is shown, payments would have varied during each year. Different outstanding principal balances could result in different payment amounts.

The table assumes an outstanding balance of \$10,000, that only the minimum payments were made, and that the rate remained constant during each year. It does not necessarily indicate how the Index or your payments will change in the future.

INDEX TABLE

	Year	Index (%)	Margin ¹ (%)	ANNUAL PERCENTAGE RATE (%)	Monthly Minimum Payment (\$)
Draw Period	2006	8.250	2.500	2.990 ²	150.00
	2007	8.250	2.500	10.750	128.98
	2008	5.000	2.500	7.500	119.93
	2009	3.250	2.500	5.750	107.93
	2010	3.250	2.500	5.750	95.43
	2011	3.250	2.500	5.750	84.38
	2012	3.250	2.500	5.750	74.61
	2013	3.250	2.500	5.750	65.97
	2014	3.250	2.500	5.750	58.32
	2015	3.250	2.500	5.750	51.57
	2016	3.500	2.500	6.000	
	2017	4.250	2.500	6.750	
	2018	5.000	2.500	7.500	
	2019	5.500	2.500	8.000	
	2020	3.250	2.500	5.750	

¹ This is a margin we have used recently; your margin may be different.

²This ANNUAL PERCENTAGE RATE reflects a discount that we have provided recently; your Line may be discounted by a different amount.