

BANK OF AMERICA TEXAS HOME EQUITY CREDITLINE INITIAL DISCLOSURE STATEMENT

Important Terms of Our Real Estate Secured CreditLine Account

This disclosure contains important information about Bank of America, N.A. (the "Bank"), and the Home Equity CreditLine 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, 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.

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.

Possible Actions:

Termination and Default: We can terminate your account, declare your agreement in default, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if:

1. You have made or make a fraudulent or material misrepresentation in connection with your account at any time during the application process, draw period, or any repayment period (please see occupancy type definitions at the bottom of this disclosure); or
2. We do not receive the full amount of any minimum payment due by its due date or you fail to meet any of the other repayment terms of your agreement; or
3. Any action or inaction by you adversely affects the Bank's security for your agreement or the Bank's right in such security.

Suspension and Cancellation: We can refuse to make additional extensions of credit or reduce your credit limit and change the payment terms if:

1. The value of any collateral you have mortgaged or conveyed to the Bank to secure repayment of your account balance declines significantly below the appraised value as relied upon by the Bank at the opening of your account;
2. The Bank reasonably believes that you will be unable to fulfill your repayment obligations under your agreement because of a material change in your financial circumstances;
3. You are in default of a material obligation set forth in your agreement or the mortgage or other security instrument securing your agreement or any extension or modification thereof including, without limitation, your failing to make a minimum payment on a date that it is due or your failure to perform any of your Important Obligations detailed in the agreement;
4. Governmental action prohibits imposition of the ANNUAL PERCENTAGE RATE provided for or impairs the Bank's security interest such that the value of the security interest is less than 120% of the credit limit;
5. A regulatory agency provides notice to the Bank that future advances would constitute an unsafe and unsound banking practice or jeopardize the solvency of the Bank;
6. The maximum ANNUAL PERCENTAGE RATE allowed under your agreement is reached; or
7. Any condition exists or occurs which would allow the Bank to terminate your agreement and declare your agreement in default.

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

Fees and Charges: The Bank will not charge you fees to open or maintain an account. The Bank also will not charge you any fees charged by third parties for services required to open or maintain an account.

Property Insurance: You must also carry insurance on the property that secures your agreement. If applicable, flood insurance may be required. You may obtain insurance through any person or company of your choice, which is reasonably acceptable to the Bank. The insurance must be in the amounts, for the time period, and against the risks that the Bank requires.

Draw Period: You can obtain advances of credit for 10 years from the date of your agreement unless your rights to obtain advances of credit are otherwise suspended or canceled.

Repayment Period: After 10 years after the date of your agreement, you will no longer be able to obtain advances of credit and the Repayment Period begins. The length of the Repayment Period is 20 years.

Minimum Draw Requirement: Each draw must be at least \$4,000.

Use of Proceeds: A line of credit lien on Texas homestead property is subject to the requirements of Article 16, Section 50(a)(6) of the Texas Constitution. An owner may have only one equity loan at a time. Proceeds from the new line of credit may be used to pay off an existing Texas 50(a)(6) lien, or you may choose to pay off the existing loan and have the lien released prior to closing on a new line of credit. Proceeds may not be used at closing to pay non-homestead debt owed to the Bank. Non-homestead debt includes, but is not limited to, credit card, auto, boat, recreational vehicle or unsecured lines, or other Bank loans not secured by the homestead property. You may choose to voluntarily pay non-homestead debt to the Bank after closing.

Tax Deductibility: It is your sole and exclusive responsibility to determine any and all aspects of federal, state and local tax considerations related to interest deductibility. We have not provided and do not provide tax advice of any kind. You should consult with your tax advisor regarding the deductibility of interest and charges for the line.

Draw Period - Variable Rate Feature: During the Draw Period, the account has a variable rate feature. As a result, the ANNUAL PERCENTAGE RATE (corresponding to the daily periodic rate) and minimum payment amount can change. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

The ANNUAL PERCENTAGE RATE is based on the value of an index (referred to in this disclosure as the "Index.") The Index is the Prime Rate as published by *The Wall Street Journal*. When a range of rates has been published, the higher of the rates will be used. Information about the Index is available or published at least weekly in *The Wall Street Journal's* Money Rates table. For your initial billing cycle, we will use the most recent Index value available in our system for that billing cycle. For each subsequent billing cycle, we will use the Index value available in our system as of the last business day prior to the first day of your next monthly billing cycle. If the Index is no longer available, we will choose a new Index and margin. The new Index will have a historical movement substantially similar to the original Index, and the new Index and margin will result in an ANNUAL PERCENTAGE RATE that is substantially similar to the rate in effect at the time the original Index becomes unavailable. If you qualify for a reduced introductory rate or a discounted initial margin that may be offered from time to time, then the initial ANNUAL PERCENTAGE RATE is not based on the Index and margin used to make later rate adjustments, and the duration of any such reduced rate or discounted margin will be determined by applicable contract terms.

To determine the ANNUAL PERCENTAGE RATE that will apply to the variable rate portion of your account, we add a margin to the value of the Index. A change in the Index value generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change is limited by the ANNUAL PERCENTAGE RATE cap (see Rate Changes below).

Ask us for the current Index value, margin and ANNUAL PERCENTAGE RATE. After you open your account, rate information will be provided on periodic statements that we send to you.

The margin provided is based on your current loan characteristics and is locked in for a period of 90 days from the date of your application, known as your "lock period." If you are unable to close by the lock period expiration date, your margin will expire and your margin will be re-set based on our current market margin as of the next business day following the expiration of your prior lock period. Please note that your margin may change if your loan characteristics (including property value, line amount, or other factors) change. Also note that your ANNUAL PERCENTAGE RATE is not locked, since it is the sum of the Index plus the margin, and the Index may change at any time.

Fixed Rate Loan Option: This Home Equity CreditLine account contains an option to request that a portion of the Variable Rate Principal Balances be transferred to a Fixed Rate Loan Option, under which such amount would be subject to a fixed rate and fixed payment amount. For any such balance advanced at the time your Home Equity Line of Credit is first established, the minimum amount that can be requested is \$5,000 and the maximum amount allowable is 90% of the total Home Equity Line of Credit line amount. For any balance transferred to a Fixed Rate Loan Option at a later date, the minimum amount that can be transferred is \$5,000 and the maximum amount is limited to the available credit under the line amount. There is a minimum 12 month repayment period on a Fixed Rate Loan Option. The term for any Fixed Rate Loan Option cannot exceed the repayment maturity date of the Home Equity CreditLine account; provided, however, that we may require any Fixed Rate Loan Option to pay in full by the end of the Draw Period or may require that any balance in a Fixed Rate Loan Option be transferred to the Variable Rate Balance at the end of the Draw Period. No transfer to a Fixed Rate Loan option is permitted if you are in default or your advance privileges have been suspended or terminated. You may not have more than three (3) Fixed Rate Loan Options open at any one time, or more than four (4) Fixed Rate Loan Options open during any one statement period.

The Fixed Rate Loan Option rate is a constant, non-variable, rate throughout the entire loan period or term of the Fixed Rate Loan Option. At the time you transfer a balance to a Fixed Rate Loan Option, we will determine the Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE for the related Fixed Rate Loan Option Rate Principal Balance based upon the current market conditions (taking into account the cost of funds as well as the Wall Street Journal Prime Rate) along with a margin based on client-specific lending criteria, which may include but are not limited to, credit score, loan-to-value, loan amount, and term.

At any time during the Draw Period, you can elect to transfer your Fixed Rate Loan Option balance(s), along with any accrued interest, into your variable rate balance which will be subject to the variable ANNUAL PERCENTAGE RATE and minimum payment requirements as outlined in the Variable Rate Balance Minimum Payment section.

During the Draw Period, the Total Minimum Payment Due for each Billing Cycle is equal to the sum of: (1) the Variable Rate Balance Minimum Payment (described below); (2) the payment due, if any, for any outstanding Fixed Rate Loan Option; and (3) any past due amounts from prior Billing Cycles. Some Fixed Rate Loan Options may have a different due date and are not figured into the Total Minimum Payment Due. At any time you may pay more than the Total Minimum Payment Due, make additional payments or pay in full or in part the Outstanding Balance. You will be required to pay the Minimum Payment Due each month there is an Outstanding Balance on your Account.

The Variable Rate Balance Minimum Payment for each Billing Cycle is the greater of (1) \$100.00, or (2) the amount calculated by determining fully amortizing principal and interest payments sufficient to repay the average of each daily Variable Rate Principal Balance for such Billing Cycle over the Remaining Term at the ANNUAL PERCENTAGE RATE in effect at the beginning of the Billing Cycle; provided, however, that the Variable Rate Balance Minimum Payment will never be more than the sum of the outstanding principal and all accrued and unpaid Finance Charges on the Variable Rate Principal Balance.

Repayment Period - Minimum Payment Requirement: Starting on the first day of the Repayment Period, the ANNUAL PERCENTAGE RATE is a fixed rate equal to the Index (as of the end of the Draw Period) plus a margin of eight percentage points (8%); however, at our option we may apply a lower margin. Your minimum monthly payment will be in an amount sufficient to repay all outstanding principal balances and accrued interest within the Repayment Period in substantially equal successive monthly installments.

Rate Changes: During the Draw Period, the ANNUAL PERCENTAGE RATE can change monthly. There is no limit on the amount by which the rate can change; however, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 24% or go below 1.990% (except to the extent that we may temporarily forgo enforcement of the Minimum Interest Rate of 1.990% in which case we may later enforce the Minimum Interest Rate at the time of any monthly adjustment).

Maximum Rate and Payment Examples:

If the ANNUAL PERCENTAGE RATE during the Draw Period equaled the 24% maximum and you had an outstanding balance of \$10,000, the initial minimum monthly payment would be \$203.98.

This ANNUAL PERCENTAGE RATE could be reached during the first month of the Draw Period.

If you had an outstanding principal balance of \$10,000 at the beginning of the Repayment Period, the initial minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 24% would be \$205.46. This ANNUAL PERCENTAGE RATE could be reached during the first month of the Repayment Period.

Minimum Payment Examples: If you took a single advance of \$10,000 and the ANNUAL PERCENTAGE RATE was 8.25% and if you made only the minimum payments and took no other credit advances it would take 30 years to pay off your account. During the Draw Period you would make 120 monthly payments of \$100. During the Repayment period you would make 239 payments of \$54.52 and a final monthly payment of \$53.86.

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 from the last business day of January of each year. While only one payment amount per year is shown, payments may have varied during each year. The payments include principal and/or interest and not credit insurance premiums or other fees. For the Repayment Period, the table is based on a fixed rate equal to the Index plus a margin of eight percentage points (8%); however, at our option we may apply a lower margin.

The table assumes that no additional credit advances were taken, that only the minimum payments were made, and that the rate remained constant during the year. It does not necessarily indicate how the Index or your payments will change in the future. The table does not reflect any promotional or introductory rate or margin that might be available from time to time.

				Monthly Payment Amount in Dollars
Year	Index (%)	Margin * (%)	ANNUAL PERCENTAGE RATE	Minimum Payment Amount**
Draw Period				
2012	3.25	1.50	4.75	\$100.00
2013	3.25	1.50	4.75	\$100.00
2014	3.25	1.50	4.75	\$100.00
2015	3.25	1.50	4.75	\$100.00
2016	3.50	1.50	5.00	\$100.00
2017	3.75	1.50	5.25	\$100.00
2018	4.50	1.50	6.00	\$100.00
2019	5.50	1.50	7.00	\$100.00
2020	4.75	1.50	6.25	\$100.00
2021	3.25	1.50	4.75	\$100.00
Repayment Period				
2022	3.25	8.00	11.25	\$10.49
2023	3.25	8.00	11.25	\$10.49
2024	3.25	8.00	11.25	\$10.49
2025	3.25	8.00	11.25	\$10.49
2026	3.25	8.00	11.25	\$10.49

* This is a margin we have used recently and does not reflect any promotional or introductory rate that may be in place at the time the account is opened. Your margin may be different.

**Reflects \$100.00 minimum payment. If you make only the minimum payment under the assumptions used above, during the Draw Period you would pay 120 payments of \$100, and during the Repayment Period you would pay 239 payments of \$10.49 and one final payment of \$10.40.

Occupancy Types - The following Bank of America occupancy definitions are intended to be used as a guideline for determining the appropriate occupancy classification. Other regulatory requirements, such as those in Regulation Z, may also apply. Please discuss this information with your Lending Officer to determine the correct occupancy type for your individual situation.

Primary Residence: A property that is occupied and designated by the borrower as the primary principal residence for the borrower's exclusive use and enjoyment. Borrowers can only have ONE primary principal residence at a time. To be classified as a primary residence:

- Borrowers must currently use the property as their principal dwelling.

Second Home: A property that is, or will be, physically occupied by the borrower on a less-than-full-time or seasonal residency basis for the borrower's exclusive use and enjoyment. The property is in addition to where the borrower principally resides. To be classified as a second home:

- Property CANNOT produce income more than 120 days per year (e.g. incidental seasonal rental), and that incidental income may NOT be used to qualify for the loan, and
- Property is geographically located in a resort/vacation home area.

Investment Property: A property that is not, or will not be, occupied by the borrower as the primary principal residence or second home. The property is, or will be, income producing (tenant rental occupied), occupied by a non-borrower family member (or other party), or held for future resale (investment).

- When financing an investment property, the applicant must also meet the requirements for maximum number of financed properties.

THIS DISCLOSURE STATEMENT AND THE HANDBOOK ENTITLED "WHAT YOU SHOULD KNOW ABOUT HOME EQUITY LINES of CREDIT" ARE PROVIDED TO YOU AS REQUIRED BY LAW.

PLEASE PRINT OR DOWNLOAD AND RETAIN A COPY FOR YOUR RECORDS