FIXED - HOME EQUITY APPLICATION DISCLOSURE

Borrower:

Lender: **LUANA SAVINGS BANK**
LUANA OFFICE
PO BOX 68
100 HARVEST DRIVE
LUANA, IA 52156

IMPORTANT TERMS OF OUR
FIXED - HOME EQUITY APPLICATION DISCLOSURE

This disclosure contains important information about our 10 YEAR HELOC - FIXED RATE (the "Plan" or the "Credit Line"). You should read it carefully and keep a copy for your records.

AVAILABILITY OF TERMS. All of the terms of the Plan described herein are subject to change. If any of these terms change 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 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. Under this Plan, we have the following rights:

Termination and Acceleration. We can terminate the Plan and require you to pay us the entire outstanding balance in one payment, and charge you certain fees, if any of the following happens:

(a) You commit fraud or make a material misrepresentation at any time in connection with the Plan. This can include, for example, a false statement about your income, assets, liabilities, or any other aspect of your financial condition.

(b) You do not meet the repayment terms of the Plan.

(c) Your action or inaction adversely affects the collateral for the Plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer of title or sale of the dwelling, creation of a senior lien on the dwelling without our permission, foreclosure by the holder of another lien or the use of funds or the dwelling for prohibited purposes.

Suspension or Reduction. In addition to any other rights we may have, we can suspend additional extensions of credit or reduce your credit limit during any period in which any of the following are in effect:

(a) The value of your dwelling declines significantly below the dwelling's appraised value for purposes of the Plan. This includes, for example, a decline such that the initial difference between the credit limit and the available equity is reduced by fifty percent and may include a smaller decline depending on the individual circumstances.

(b) We reasonably believe that you will be unable to fulfill your payment obligations under the Plan due to a material change in your financial circumstances.

(c) You are in default under any material obligation of the Plan. We consider all of your obligations to be material. Categories of material obligations include, but are not limited to, the events described above under Termination and Acceleration, obligations to pay fees and charges, obligations and limitations on the receipt of credit advances, obligations concerning maintenance or use of the dwelling or proceeds, obligations to pay and perform the terms of any other deed of trust, mortgage or lease of the dwelling, obligations to notify us and to provide documents or information to us (such as updated financial information), obligations to comply with applicable laws (such as zoning restrictions).

(d) We are precluded by government action from imposing the annual percentage rate provided for under the Plan.

(e) The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120 percent of the credit limit.

(f) We have been notified by governmental authority that continued advances may constitute an unsafe and unsound business practice.

(g) The maximum annual percentage rate under the Plan is reached.

Change in Terms. We may make changes to the terms of the Plan if you agree to the change in writing at that time, if the change will unequivocally benefit you throughout the remainder of the Plan, or if the change is insignificant (such as changes relating to our data processing systems).

Fees and Charges. In order to open and maintain an account, you must pay certain fees and charges.

Lender Fees. The following fees must be paid to us:

Description	Amount	When Charged
LENDER APPRAISAL FEE:	$375.00	At Account Opening
Minimum Finance Charge:	$7.50	At Account Closing

Late Charge. Your payment will be late if it is not received by us within **10 days after the "Payment Due Date" shown on your periodic statement.** If your payment is late we may charge you $30.00.

Third Party Fees. You must pay certain fees to third parties such as appraisers, credit reporting firms, and government agencies.

These third party fees generally total between $0.00 and $1,100.00. We estimate the breakdown of these as follows:

Description	Amount	When Charged
FLOOD DETERMINATION:	$7.00	At Account Opening
TITLE SEARCH:	$150.00-$300.00	At Account Opening
CREDIT REPORT:	$9.00-$175.00	At Account Opening
MORTGAGE FILING:	$52.00-$62.00	At Account Opening
CERTIFIED APPRAISAL:	$475-$550.00	At Account Opening
FLOOD CERTIFICATION:	$4.00	At Account Opening
WASKER CLOSING FEE:	$85.00	At Account Opening

PROPERTY INSURANCE. You must carry insurance on the property that secures the Plan.

MINIMUM PAYMENT REQUIREMENTS. You can obtain advances of credit during the following period: 10 YEAR DRAW PERIOD (the "Draw Period"). Your Regular Payment will be based on a percentage of your outstanding balance plus all accrued FINANCE CHARGES as shown below or $25.00 plus all accrued FINANCE CHARGES, whichever is greater. Your payments will be due monthly. This means that you have a monthly billing cycle.

Range of Balances	Number of Billing Cycles	Regular Payment Calculation
All Balances	120	1.000% of your outstanding balance plus all accrued FINANCE CHARGES

Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. The Minimum Payment will not fully repay the principal that is outstanding on your Credit Line and your final payment will be a single balloon payment.

In any event, if your Credit Line balance falls below $25.00, you agree to pay your balance in full.

MINIMUM PAYMENT EXAMPLE. If you made only the minimum 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 7.100%. During that period, you would make 119 monthly payments ranging from $48.38 to $160.30 and one final payment of $3,042.30.

TRANSACTION REQUIREMENTS. The following transaction limitations will apply to the use of your Credit Line:

Telephone Request, In Person Request and ONLINE BANKING Limitations. There are no transaction limitations for requesting an advance by telephone, requesting an advance in person or accessing by other methods.

TAX DEDUCTIBILITY. You should consult a tax advisor regarding the deductibility of interest and charges for the Plan.

ADDITIONAL HOME EQUITY PROGRAMS. Please ask us about our other available Home Equity Line of Credit plans.

ANNUAL PERCENTAGE RATE INFORMATION. The ANNUAL PERCENTAGE RATE under the Plan is not based on an Index. It is based upon a fixed rate, which will be specified either at the time you receive a loan commitment or at the loan closing, and will be based upon the market conditions at that time. An ANNUAL PERCENTAGE RATE of 7.100% percentage points is representative of a fixed rate recently offered by us under the Plan. The ANNUAL PERCENTAGE RATE does not include costs other than interest. Please ask us for the current annual percentage rate under the Plan.

PREFERRED RATE REDUCTION. The ANNUAL PERCENTAGE RATE under the Plan includes a preferred rate reduction. If the preferred rate reduction is terminated, the Periodic Rate and the corresponding ANNUAL PERCENTAGE RATE will increase. Any increase in the ANNUAL PERCENTAGE RATE will take the form of higher payment amounts. The preferred rate reduction is subject to the following provisions:

Reduction Percentage: 0.500%
Description of Event That Would Cause the Preferred Rate Reduction to Terminate.
IF YOU WOULD CANCEL AUTOMATIC PAYMENTS RATE WOULD INCREASE BY 0.500% .
How The New Rate Will Be Determined Upon Termination of the Preferred Rate Reduction.
RATE WLL INCREASE BY 0.500% .

PREPAYMENT. You may prepay all or any amount owing under the Plan at any time without penalty.