



No-Closing-Cost, No-Prepaid-Penalty HELOC Rate

The interest rate of your HELOC is tied to what is known as Prime Rate (5.25% for 01/19/2005) plus a margin, which is determined by following facts:

1. Your CLTV (Combined Loan To Value) ratio which is (primary loan balance + HELOC amount) / House Value. For example, if your current house value is \$300,000, your primary loan balance is \$240,000, and you want a HELOC of \$30,000, your CLTV = $(240,000 + 30,000) / 300,000 = 90\%$
2. Your FICO (Credit Score), For example, 680, 700 or 740
3. Your DTI (Debt To Income) ratio, which is the monthly payment of your first loan including insurance, plus monthly car, credit and other payments, plus the monthly interest for the
4. HELOC you are applying for, then divided by your monthly income. For example, your current monthly house payment is \$1500, your monthly HELOC interest payment is \$200, and your monthly income is \$5000, DTI = $(1500+200)/5000 = 34\%$
5. The HELOC maximum amount you are applying for.
6. Add 0.25 for stand-alone HELOC when you are NOT getting the primary loan from us at the same time.

All adjustment factors are listed in the following table effective 01/19/2005

CLTV	GRADE	FICO	DTI	Margin Over Prime		
				\$50,000 - \$500,000**	\$25,000 - \$49,999	\$10,000 - \$24,999
89.9%	A+	700	50%	0.00%	0.50%	3.00%
	A+	680	45%	0.00%	0.50%	3.00%
	A	660	45%	0.25%	0.75%	3.00%
80%	A	640	45%	0.25%	0.75%	3.00%
95%	A+	700	45%	0.50%	1.00%	3.25%
	A	680	40%	0.75%	1.25%	3.25%
100%*	A+	720	40%	1.00%	1.50%	4.00%

Example 1: Assume your house value is \$300,000, your current loan balance is \$200,000, your FICO is 700, and your DTI is less than 45%, you can get a stand-alone HELOC of \$70,000-\$50 at prime rate + 0.25%

Example 2: Assume your house value is \$300,000, your current loan balance is \$200,000, your FICO is 680, and your DTI is less than 40%, you can get a stand-alone HELOC of \$85,000 at prime rate + 0.75% + 0.25%