

HOME EQUITY CREDIT APPLICATION

IMPORTANT APPLICATION INFORMATION: Federal law requires financial institutions to obtain sufficient information to verify your identity. You may be asked several questions and asked to provide one or more forms of identification to fulfill this requirement. In some instances we may use outside sources to confirm the information. The information you provide is protected by our privacy policy and federal law.

TYPE OF CREDIT REQUESTED

- Secured Unsecured
 Individual credit Joint credit

We intend to apply for joint credit (initials) _____

Amount requested \$ _____	How long _____
Payment date desired _____	Loan purpose _____

INDIVIDUAL APPLICANT INFORMATION

Name _____ Birth date _____ Telephone number _____ Social security number _____
 Present address _____ City _____ State _____ Zip _____ How long? _____
 Previous address _____ City _____ State _____ Zip _____ How long? _____
 Number of dependents _____ Age(s) of dependent(s) _____
 Employer (company name and address) _____
 How long? _____ Business telephone _____
 Position/Title _____ Gross income per month \$ _____ How often are you paid? _____
 Previous employer (company name and address) _____ How long? _____
 Gross income per month \$ _____ Name of nearest relative not living with you _____ Relationship _____
 Address _____ City _____ State _____ Zip _____ Telephone number _____
Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.
 Alimony, child support, separate maintenance received under: Court order Written agreement Oral understanding
 Sources of other income _____ Amount per month \$ _____

JOINT APPLICATION OR OTHER PARTY INFORMATION

Complete only if: applying for joint credit, for individual credit relying on income or assets from other sources, or applicant is married and resides in a community property state.

Name _____ Birth date _____ Telephone number _____ Social security number _____
 Present address _____ City _____ State _____ Zip _____ How long? _____
 Relationship to applicant (if any) _____
 Number of dependents _____ Age(s) of dependent(s) _____
 Employer (company name and address) _____ How long? _____
 Business telephone _____ Position/Title _____
 Gross income per month \$ _____ How often are you paid? _____
 Name of nearest relative not living with you _____ Relationship _____
 Address _____ City _____ State _____ Zip _____ Telephone number _____
Alimony, child support or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.
 Alimony, child support, separate maintenance under: Court order Written agreement Oral understanding
 Sources of other income _____ Amount per month \$ _____

MARITAL STATUS Complete only if: applying for joint or secured credit, or applicant resides in a community property state or is relying on property located in such a state.

- Applicant: Married Separated Unmarried* (*Includes single, divorced or widowed)
 Other Party: Married Separated Unmarried* (*Includes single, divorced or widowed)

ASSETS If a joint party is listed on the application, please include information for both the applicant and the joint applicant.

Assets Owned (Use separate sheet if necessary.)

DESCRIPTION OF ASSETS – PLEASE INCLUDE ACCOUNT NUMBERS	WHERE ACCOUNTS ARE HELD (IF APPLICABLE)	VALUE
Checking account(s)		\$
Savings account(s) or certificate(s) of deposit		\$
Marketable securities (issuer, type, number of shares)		\$
Vested interest in retirement fund		\$
Life insurance (issuer, face value)		\$
Real estate (location)		\$
Vehicles (make, model, year)		\$
Other assets (describe)		\$
Total assets		\$

LIABILITIES

If a joint party is listed on the application, please include information for both the applicant and the joint applicant.

Outstanding Liabilities

(Including charge accounts, installment contracts, credit cards, rent, mortgages and other obligations. Use separate sheet if necessary.)

CREDITOR	ACCOUNT NUMBER	MONTHLY PAYMENTS	PRESENT BALANCE (OMIT RENT)
Landlord or mortgage holder	<input type="checkbox"/> Rent <input type="checkbox"/> Mortgage	\$	\$
Vehicles (make, model, year)		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
Total liabilities		\$	\$

Net worth (total assets minus total liabilities) \$ _____

Complete the following information about both the Applicant and Joint Applicant or Other Person (if applicable):

Are you obligated to make alimony, support or maintenance payments? No Yes

If yes, to (name and address) _____ Amount per month \$ _____

Are you a comaker, endorser, or guarantor on any loan or contract? No Yes

If yes, for whom? _____ To whom? _____

Monthly payment \$ _____ Present balance \$ _____

Are there any unsatisfied judgments against you? No Yes If yes, to whom owed? _____ Amount \$ _____

Have you declared bankruptcy in the last 10 years? No Yes If yes, where? _____ Year _____

SECURED CREDIT

Complete only if credit is to be secured. Briefly describe the property to be given as security and indicate if others have an ownership interest.

Property description _____

Names and addresses of all co-owners of the property _____

If the security is real estate, give the full name of your spouse (if any) _____

SIGNATURES

I certify that everything I have stated in this application and on any attachments is correct. Lender may keep this application whether or not it is approved. By signing below I authorize Lender to check my credit and employment history and to answer questions others may ask Lender about my credit record with Lender. I understand that I must update credit information at Lender's request if my financial condition changes.

Applicant's signature _____ Date _____

Other signature (where applicable) _____ Date _____

Loan Originator's Signature _____	Loan Originator's Identifier _____	Loan Originator's Phone Number _____
Loan Origination Company's Name First National Bank of Northfield	Loan Origination Company Identifier 478194	Loan Origination Company's Address _____



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DOWNTOWN ■ 329 Division Street ■ 507-645-5656 ■ FAX 507-645-6873

SOUTH ■ 1611 Honey Locust Drive ■ 507-664-0820 ■ FAX 507-664-0801





FIRST NATIONAL – DOWNTOWN
329 Division Street ■ P.O. Box 59 ■ Northfield, Minnesota 55057
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Registered Mortgage Loan Originators

Becky Behrens NMLS #523458
Phone: 507-664-0820

Kim Schweich NMLS #523459
Phone: 507-664-0820

Robb Nelson NMLS #526050
Phone: 507-664-0820

NOTICE OF RIGHT TO RECEIVE A COPY OF APPRAISAL REPORT

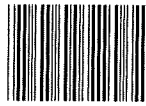
We may order an appraisal to determine the property's value and charge you for this appraisal. We will promptly give you a copy of any appraisal, even if your loan does not close. You can pay for an additional appraisal for your own use at your own cost.

("You" means Applicant; and "We" means the Bank.)



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HOME EQUITY APPLICATION DISCLOSURE

Borrower:

Lender:

The First National Bank of Northfield
Non-Mortgage Branch
Northfield, MN

IMPORTANT TERMS OF OUR HOME EQUITY APPLICATION DISCLOSURE

This disclosure contains important information about our HELOC Amortization (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 (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 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.

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 \$200.00 and \$1,500.00. We estimate the breakdown of these as follows:

Description	Amount	When Charged
Appraisal Fee:	450.00	
Recording Fee:	46.00	
Title Search:	200.00	
Title Examination Fee:	250.00	
Conservation Fee:	5.00	
Flood Certification and Monitoring Life of Loan:	8.00	At closing
Credit Report:	50.00	At closing

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 years (the "Draw Period"). Your

HOME EQUITY APPLICATION DISCLOSURE (Continued)

Regular Payment will be based on an amortization of the balance after your most recent credit advance as shown below. Your payments will be due monthly.

<u>Range of Balances</u>	<u>Number of Payments</u>	<u>Amortization Period</u>
All Balances	120	240 payments

At the time of each credit advance your Regular Payment will be recalculated based upon the amount of the advance and any other outstanding balance. Your "Minimum Payment" will be the Regular Payment, plus any amount past due and all other charges. The "Regular Payment" will be set to repay the balance after the advance, at the ANNUAL PERCENTAGE RATE, within the amortization period. 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.

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 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 payment may be increased by the amount necessary to repay the balance by the end of this payment stream. Each time the ANNUAL PERCENTAGE RATE changes, we will review the effect the change has on your Credit Line Account to see if your payment is sufficient to pay the balance by the Maturity Date. If it is not, your payment will be increased by an amount necessary to repay the balance by the Maturity Date.

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 5.500%. During that period, you would make 119 monthly payments of \$68.80 and one final payment of \$6,407.72.

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

In Person Request and Telephone Request Limitations. The following transaction limitations will apply to your Credit Line and requesting an advance in person and requesting an advance by telephone.

Minimum Advance Amount. The minimum amount of any credit advance that can be made on your Credit Line is \$500.00.

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.

VARIABLE RATE FEATURE. The Plan has a variable rate feature. The ANNUAL PERCENTAGE RATE (corresponding to the periodic rate), and the minimum payment amount can change as a result. The ANNUAL PERCENTAGE RATE does not include costs other than interest.

THE INDEX. The annual percentage rate is based on the value of an index (referred to in this disclosure as the "Index"). The Index is the 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. Information about the Index is available or published in the Wall Street Journal. We will use the most recent Index value available to us as of the date of any annual percentage rate adjustment. If the Index is no longer available, we will choose a new Index and margin. The new Index will have an 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.

ANNUAL PERCENTAGE RATE. To determine the Periodic Rate that will apply to your account, we add a margin to the value of the Index, then divide the value by 365 days. To obtain the ANNUAL PERCENTAGE RATE we multiply the Periodic Rate by the number of days in a year (366 during leap years). This result is the ANNUAL PERCENTAGE RATE. A change in the Index rate generally will result in a change in the ANNUAL PERCENTAGE RATE. The amount that your ANNUAL PERCENTAGE RATE may change also may be affected by the lifetime annual percentage rate limits, as discussed below.

Please ask us for the current Index value, margin and annual percentage rate. After you open a credit line, rate information will be provided on periodic statements that we send you.

FREQUENCY OF ANNUAL PERCENTAGE RATE ADJUSTMENTS. Your ANNUAL PERCENTAGE RATE can change daily. There is no limit on the amount by which the annual percentage rate can change during any one year period. However, under no circumstances will your ANNUAL PERCENTAGE RATE exceed 18.000% per annum or, go below 3.990% per annum at any time during the term of the Plan.

MAXIMUM RATE AND PAYMENT EXAMPLE. If you had an outstanding balance of \$10,000.00, the minimum payment at the maximum ANNUAL PERCENTAGE RATE of 18.000% would be \$154.36. This ANNUAL PERCENTAGE RATE could be reached immediately or prior to the 1st payment.

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

HISTORICAL EXAMPLE. The example below 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 from 2004 to 2018. The Index values are from the following reference period: as of the first business day in November. While only one payment per year is shown, payments may have varied during each year. Different outstanding principal balances could result in different payment amounts.

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 would change in the future.

**HOME EQUITY APPLICATION DISCLOSURE
(Continued)**

INDEX TABLE

Year (as of the first business day in November)	Index (Percent)	Margin (1) (Percent)	ANNUAL PERCENTAGE RATE	Monthly Payment (Dollars)
2004.....	4.750.....	0.250	5.000	66.01
2005.....	7.000.....	0.250	7.250	78.51
2006.....	8.250.....	0.250	8.500	85.63
2007.....	7.500.....	0.250	7.750	81.49
2008.....	4.000.....	0.250	4.250	64.34
2009.....	3.250.....	0.250	3.990 (8)	63.22
2010.....	3.250.....	0.250	3.990 (8)	63.22
2011.....	3.250.....	0.250	3.990 (8)	63.22
2012.....	3.250.....	0.250	3.990 (8)	63.22
2013.....	3.250.....	0.250	3.990 (8)	63.22
2014.....	3.250.....	0.250	3.990 (8)	
2015.....	3.500.....	0.250	3.990 (8)	
2016.....	3.500.....	0.250	3.990 (8)	
2017.....	4.250.....	0.250	4.500	
2018.....	5.250.....	0.250	5.500	

(1) This is a margin we have used recently; your margin may be different.
 (8) This A.P.R. reflects a 3.990 percent floor.

BORROWER ACKNOWLEDGMENT

The Borrower, after having read the contents of the above disclosure, acknowledges receipt of this Disclosure Statement and further acknowledges that this Disclosure was completed in full prior to its receipt. The Borrower also acknowledges receipt of the handbook entitled "What you should know about Home Equity Lines of Credit".

BORROWER:

X _____
 Borrower Date

X _____
 Borrower Date

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

APPLICANT'S SIGNATURE

DATE

APPLICANT'S SIGNATURE

DATE



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FACTS**WHAT DOES THE FIRST NATIONAL BANK OF NORTHFIELD DO WITH YOUR PERSONAL INFORMATION?****Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and account balances
- Overdraft history and payment history
- Credit history and credit scores

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reason The First National Bank of Northfield chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does The First National Bank of Northfield share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
For our marketing purposes— to offer our products and services to you	YES	NO
For joint marketing with other financial companies	YES	NO
For our affiliates' everyday business purposes— information about your transactions and experiences	YES	NO
For our affiliates' everyday business purposes— information about your creditworthiness	NO	WE DON'T SHARE
For nonaffiliates to market to you	NO	WE DON'T SHARE

Questions?

Call 507-645-5656 or go to: www.firstnationalnorthfield.com

What we do	
How does The First National Bank of Northfield protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does The First National Bank of Northfield collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ open an account or deposit money ■ pay your bills or apply for a loan ■ use your credit or debit card <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes—information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include companies with a common corporate identity of the First National Bank of Northfield; financial companies such as Heywood Bancshares Inc.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>The First National Bank of Northfield does not share with nonaffiliates so they can market to you.</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Our joint marketing partner includes Elan Credit Card</i>

INFORMATION DISCLOSURE AUTHORIZATION

To Whom It May Concern:

I/We hereby authorize you to release to First National Bank Northfield, for verification purposes, information concerning:

- Employment history (dates, title, income, hours worked, etc.)
- Checking, savings and certificate of deposit accounts, loans outstanding and additional information which may be of assistance in determination of credit worthiness.
- Mortgage loan rating (opening date, high credit, payment amount, loan balance and payment record, loan payoff statement) and/or rental account history.
- Any information deemed necessary in connection with a consumer credit application for a real estate transaction.

This information is for the confidential use of this lender in compiling a mortgage loan application.

A photographic copy of this authorization (being a photographic copy of the signature(s) of the undersigned), may be deemed to be the equivalent of the original and may be used as a duplicate original.

Your prompt reply will help my real estate transaction.

APPLICANT'S SIGNATURE

SOCIAL SECURITY NUMBER

APPLICANT'S SIGNATURE

SOCIAL SECURITY NUMBER



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APPLICATION CHECKLIST FOR A HOME EQUITY LINE OF CREDIT

Please provide the following information to assist us in processing your loan application quickly and accurately. There may be additional information that we may need to request to make your loan application complete.

INCOME VERIFICATION:

- Paystubs covering the most recent 30 days for each applicant (including a year-to-date summary)
- Copies of W-2 and federal income tax forms with all schedules for the last two years
- Proof of other sources of income (if using for qualifying)

FOR SELF-EMPLOYED BORROWERS, YOU WILL ALSO NEED TO PROVIDE:

- Copies of your business federal income tax forms with all schedules for the last two years (K-1s, if applicable)
- Copy of an extension to file your income taxes, if applicable
- Current profit and loss statement
- Current balance sheet

CHILD SUPPORT/ALIMONY:

- If you are required to pay child support or alimony, please provide a complete copy of signed decree including any stipulations and modifications
- If you wish to have child support/alimony considered as a basis for repaying your loan, please provide a complete copy of signed decree including any stipulations and modifications. You may be asked to provide documentation to show receipt of payments.

ADDITIONAL INFORMATION WE WILL NEED TO KNOW:

- Amount you would like to borrow
- Total outstanding balance of all loans secured by the property
- Information on the current obligations you wish to pay off with this transaction including lender's name, address and phone number, loan account number, balance and monthly payment
- Estimated property value
- If approved, please be prepared to provide information about your homeowner's insurance and the title to your property (owner's title insurance policy, your abstract or torrens certificate)



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