

THE PEOPLES BANK CO  
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COLDWATER OH 45828  
(419) 678-2385

## HOME EQUITY PROGRAM

**HOW FINANCE CHARGES ARE COMPUTED:** Finance charges begin to accrue immediately when we make a loan to you. To figure the finance charge for a billing cycle, we apply a daily periodic rate of finance charge to the “average daily balance” of your loan account for the billing cycle. We then multiply that figure by the number of days in the billing cycle. The average daily balance is computed as follows: First, we take your loan account balance at the beginning of the day and subtract any unpaid finance charges and credit insurance premiums (if any) that are due. Next, we subtract the portion of any payments or credits received that day, which apply to the repayment of your loans. (A portion of each payment you make is applied to finance charges and credit insurance premiums, if any). Then we add any new loans made that day. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the “average daily balance”.

**INTEREST RATE:** If you have a fixed rate home equity loan, the interest rate is fixed for the term of the loan. If you have a variable rate home equity loan, either after one year from the date of the original contract OR after five years from the date of the original contract, the annual percentage rate may change daily. The corresponding change in the daily periodic rate of finance charge will then apply to the “average daily balance” of your loan account for the billing cycle in which such increase or decrease in the annual percentage rate occurs. An increase will result in an increase in the finance charge and it may have the effect of increasing your periodic minimum payment. A decrease will have the opposite effect of an increase disclosed above.

**BILLING RIGHTS SUMMARY: In Case of Errors or Questions About Your Bill –** If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at the address above as soon as possible. We must hear from you no later than 60 days after we sent you the first bill on which the error or problem appeared. You can telephone us, but doing so will not preserve your rights.

In your letter, give us the following information:

- Your name and account number
- The dollar amount of the suspected error
- Describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.