KAISER FEDERAL BANK

HOME EQUITY LINE OF CREDIT PROGRAM DISCLOSURE

The annual percentage rate is based on an index. The index is the highest commercial prime rate correctly published in the Wall Street Journal, Western Edition, on the last business day of each month.

To determine the annual percentage rate that will apply to your line of credit, we add a margin to the index.

Ask us for our current index rate, margin and annual percentage rate. After you open a line of credit, rate information will be provided on periodic statements that we send you.

Rate Changes: Except during any period when we are offering a promotional rate, the annual percentage rate can change every month on the first day of the month. If we are offering a promotional fixed rate, we will tell you, in writing, the rate and the time for which it will be effective. In no event can the interest rate exceed 18% ANNUAL PERCENTAGE RATE during the draw or repayment periods. Ask us for the current limitations applicable to this line of credit program.

Maximum Rate and Payment Examples: If you had an outstanding balance of $10,000.00 at a hypothetical maximum ANNUAL PERCENTAGE RATE of 18% during the draw period, your interest only payment would be $148.20. During the repayment period, the maximum monthly payment on a $10,000.00 balance at a hypothetical maximum ANNUAL PERCENTAGE RATE of 18% would be $161.20. This maximum annual percentage rate could be reached at any time during the draw or repayment periods, including the first day of the month following the month in which the line of credit is opened. If we are offering a promotional fixed rate, this maximum annual percentage rate could be reached at any time after the promotional period ends, including the first scheduled rate adjustment.

Variable Rate Example: The following table shows how the annual percentage rate and the minimum monthly payments for a single $10,000.00 credit advance would have changed based on changes in the index over the last 15 years. The index values are from January of each year. While only one payment amount per year is shown, payments would have varied during each year.

The table assumes that no additional credit advances were taken and that only the minimum payment was made each month. It does not necessarily indicate how the index or your payments would change in the future. The margin is one used recently.

	Year	Index	Margin	ANNUAL PERCENTAGE RATE	Minimum Monthly Payment
	1994	6.00	3	9.00	$74.10
	1995	8.50	3	11.50	$94.50
	1996	8.50	3	11.50	$94.50
	1997	8.25	3	11.25	$92.40
	1998	8.50	3	11.50	$94.50
	1999	7.75	3	10.75	$88.50
	2000	8.50	3	11.50	$94.50
	2001	9.50	3	12.50	$102.60
	2002	4.75	3	7.75	$63.60
*Draw Period	2003	4.25	3	7.25	$59.70
**Repayment Period	2004	4.00	3	7.00	$89.91
	2005	5.25	3	8.25	$97.05
	2006	7.25	3	10.25	$109.03
	2007	8.25	3	11.25	$115.28
	2008	7.25	3	10.25	$109.03

*During the draw period, payments equal interest only.

**During the repayment period, payments are fully amortized.

A copy of this disclosure is part of the Loan Agreement.

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Borrower Signature Date Borrower Signature Date

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Co-Signer Signature Date

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