

The Provident Bank
Consumer Lending
980 Amboy Avenue
Edison, New Jersey 08837
732-417-4455

FIXED RATE HOME EQUITY LOAN DISCLOSURE

This disclosure statement is NOT a contract between you and The Provident Bank and is NOT a commitment by The Provident Bank to make a loan to you on any of the terms described in this statement. The purpose of this disclosure statement is solely to provide you with a general description of a certain loan program offered by The Provident Bank. The Provident Bank reserves the right to make subsequent changes at any time with regard to any matter covered in this statement as a result of a change in policy, law, regulation or otherwise.

PART I Transfer or Sale of Your Home

If you sell or transfer your home to someone else without The Provident Bank's prior written consent (with certain exceptions set forth in the loan documents) the "due on sale" clause in your loan documents provides that all sums (including the outstanding principal balance) owed under the loan documents could become immediately due and payable. This would mean that a large payment could be due at that time, and The Provident Bank would not be obligated to refinance the loan. Should you fail to pay all sums due at that time, The Provident Bank may exercise other rights it possesses under the loan documents, such as the forced sale of the home, in accordance with applicable laws and regulations.

Late Payment

Your loan documents require you to make monthly payments in a timely manner, until the loan is repaid. If you fail to make your loan payments when due, you will be in default under the loan documents, which could result in The Provident Bank declaring all sums under the loan to be due, and which could result in a forced sale of your home in accordance with applicable laws and regulations. You may, however, be entitled to correct this payment default by promptly making the required monthly payment.

Prepayment Charge

The Provident Bank does not impose prepayment penalties on its Fixed Rate Home Equity Loans.

Non-Default Events Which May Result in the Acceleration of the Mortgage Debt or Foreclosure of the Property

The mortgage documents provide for a number of events which can result in the acceleration of the entire mortgage debt or The Provident Bank instituting foreclosure actions. Most of these events concern your failure to perform your obligations under the mortgage loan documents. There is only one non-default event which can result in the acceleration of the entire mortgage debt or The Provident Bank instituting foreclosure proceedings. This is where you sell or transfer all or part of the property to someone else, which was discussed above under "Transfer or Sale of Your Home."

PART II
Interest Rate and Term

The interest rate charged on Fixed Rate Home Equity Loans is established by the senior management of The Provident Bank, after considering The Provident Bank's cost of funds and the local market conditions prevailing at the time. The interest rate on your loan will remain fixed throughout the term of your loan. The Provident Bank Fixed Rate Home Equity Loans have terms up to 15 years.

Monthly Payment Amounts and the Amortization Schedule

At the time a loan is made, The Provident Bank determines the amount of your monthly payments based upon an "Amortization Schedule." To arrive at the Amortization Schedule, The Provident Bank takes three factors into consideration: the total amount you will owe, the interest rate charged on the loan and the maturity date of the loan. Your scheduled monthly payments will be computed so that your loan will be repaid in full by the maturity date in substantially equal monthly payment amounts.

Because the monthly payments are computed to be substantially equal, a greater proportion of the monthly payments during the early years of the loan are applied to interest and a smaller amount is applied to reducing the principal loan balance. As each monthly payment is made, a greater percentage of the monthly payment is applied to the reduction of principal and a smaller amount of the monthly payment is applied to interest. This occurs because the principal balance is reduced with each monthly payment. Keep in mind that the Amortization Schedule is determined based upon the assumption that you make all monthly payments on time and that there will be no prepayment, late payments or missed payments. Also, the term "monthly payment," as used here, refers only to payments of principal and interest.

NOTICE OF RIGHT TO RECEIVE APPRAISAL COPY

You have the right to a copy of the appraisal report used in connection with your application for credit. If you wish a copy, please send us a written request indicating your name, address and daytime phone number to:

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Consumer Lending
980 Amboy Avenue
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We must hear from you no later than 90 days after we notify you about the action taken on your credit application or you withdraw your application.