

Bank of America Prime Rate Frequently Asked Questions

1. How is the Bank of America Prime Rate determined?

Bank of America determines prime rate based on various factors, including general economic conditions. The bank's prime rate is the reference point for pricing some loans. Bank of America may price loans to its customers at, above or below the prime rate.

2. Where is the Bank of America Prime Rate published?

It is on the bank's Web site at www.bankofamerica.com/newsroom. Select "Prime Rate Information" in the blue left-hand column.

3. What is *The Wall Street Journal* Prime Rate?

The Wall Street Journal Prime Rate ("WSJ Prime") is one of several rates used by banks to price consumer and business loans. It is published in *The Wall Street Journal*. The newspaper determines this rate by evaluating the rates set by at least 75 percent of the nation's 30 largest banks.

4. What is the difference between Bank of America's Prime Rate and the WSJ Prime?

There is very little difference. Bank of America's prime rate is set by the bank. The WSJ Prime is a consensus rate among the nation's 30 largest banks. Very often these two rates may be the same.

5. Will a change in the Bank of America Prime Rate or the WSJ Prime immediately change the periodic interest rate and Annual Percentage Rate the bank charges?

Generally, a wide variety of definitions is used to determine an index's reset date -- and an index may or may not reset on the prime rate change effective date.

The best way for customers to determine an impact to the terms and conditions of their loans is to read their loan documents. Loan agreements and disclosures are defined individually.

Additionally for most consumer loans, the index will be determined on a specified day prior to the first day of the next monthly billing cycle.