

**LIBOR Indexed
Adjustable Rate Mortgage Loan Program Disclosure
10/1 Year Premium Non-Convertible ARM with 5/2/5 Caps**

This disclosure describes the features of an Adjustable Rate Mortgage (ARM) program you are considering. What this means is that the interest rate varies in relationship to changes (increases or decreases) in an interest rate index. Interest rate changes may cause changes in scheduled payments and/or terms of your loan. Information on other ARM programs is available and will be provided upon your request.

HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED

Your interest rate will be based on an index rate plus a margin. Please ask us for our current interest rate and margin. Your initial interest rate will also reflect a premium; the initial interest rate is more than the sum of the index plus the margin. Please ask us about our current interest rate premium. The index rate is the average of interbank offered rates for one year US dollar-denominated deposits in the London market ("LIBOR") as published in the *Wall Street Journal*. Your interest rate will equal the index rate plus our margin rounded to the nearest 1/8 percent, unless your interest rate "caps" limit the amount of change in the interest rate. Your payment will be based on the interest rate, loan balance, and remaining loan term.

HOW YOUR INTEREST RATE CAN CHANGE

Your interest rate is fixed for the first 120 months, after which it can change every 12 months to the index value plus the margin, subject to the following limits:

Your interest rate will be rounded to the nearest 1/8 percent. Your interest rate cannot increase or decrease by more than 5.000% at the first adjustment (120 months). Thereafter your interest rate cannot increase or decrease by more than 2.000% per adjustment. Your interest rate cannot increase by more than 5.000% over the term of the loan.

HOW YOUR PAYMENT CAN CHANGE

Your payment can increase or decrease substantially based on periodic changes in the interest rate. Your payment can change with each interest rate change.

INTEREST RATE AND PAYMENT EXAMPLE

For example, on a new \$10,000, 360-month loan with an initial interest rate of 4.000%, in effect April 2011, the maximum amount that the interest rate could rise under this program is 5.000%, to 9.000%. The payment amount could rise from a beginning payment of \$47.74, to a maximum of \$70.88 (at payment 121), with a \$70.88 final payment.

To determine what your payment is, divide your mortgage amount by \$10,000; then multiply the monthly payment by that amount. (For example, the monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 / \$10,000 = 6$; $6 \times \$47.74 = \286.44 per month.)

NOTICE OF INTEREST RATE AND PAYMENT ADJUSTMENTS

You will be notified in writing at least 25 days, but not more than 120 days before a payment adjustment may be made. This notice will contain information about your index and interest rates, payment amount, and loan balance.

PREPAYMENT AND ASSUMPTION

If you pay off the loan early, you will not have to pay a prepayment penalty. Someone buying your home may, subject to conditions, be allowed to assume the remainder of the mortgage on the original terms.