

Date:
Loan #:
Borrower's Name:

Lender's Name and Address:

IMPORTANT INFORMATION ABOUT THE ADJUSTABLE RATE
MORTGAGE LOAN
PLEASE READ CAREFULLY

This disclosure describes the features of the Adjustable Rate Mortgage (ARM) program you are considering. Information on other ARM programs is available upon request.

How Your Interest Rate and Payment are Determined

- We will establish the initial interest rate on a loan you obtain under this program based on market conditions. Ask us for our current interest rate. If you choose not to lock in an interest rate at time of application, your initial interest rate may be different than the initial interest rate in effect at the time you apply for your loan. The initial interest rate may be greater or less than the interest rate on the loan after the first interest rate adjustment.
- The initial interest rate is not necessarily based on the index used to make later interest rate adjustments. Ask us for the amount of current interest rate discounts.
- Beginning with the first interest rate adjustment, the interest rate on a loan you obtain under this program will be based on an index plus a margin.
- The index is the average of interbank offered rates for twelve month U.S. dollar-denominated deposits in the London market ("LIBOR") as published in The Wall Street Journal. If the index is no longer available at any time during the term of the loan, we (or the designated loan servicer) will choose a new index that is based upon comparable information and give you advance notice of this choice.
- The margin is a percentage stated in your loan documents. Ask us about our current margins.
- Your initial monthly payment will be based on the interest rate, loan balance and loan term.

How Your Interest Rate Can Change

- Your interest rate can change after an initial period of ten (10) years and every twelve (12) months thereafter during the term of the loan.
- Starting with the first interest rate adjustment on your loan, the interest rate will be calculated by adding the margin to the most recent index figure available as of the date 45 days immediately preceding the adjustment date. We (or the designated loan servicer) will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the interest rate caps discussed below, this rounded amount will be your new interest rate until the next date on which your interest rate could change.

- Your interest rate cannot increase or decrease more than five (5) percentage points at the time of the first interest rate adjustment and no more or less than two (2) percentage points at the time of each subsequent interest rate adjustment.
- Your interest rate cannot increase more than five (5) percentage points over the term of the loan. At no time will the interest rate be less than the margin.

How Your Payment Can Change

- Your monthly payment can change at the end of the initial ten (10) year period and every twelve (12) months thereafter during the term of the loan.
- You will be notified in writing of any changes in your interest rate and the amount of your monthly payment before the effective date of the change. The notice will include information about the interest rate, payment amount and loan balance and other information required by law.
- Your monthly payment can change substantially depending on changes in the applicable interest rate. Please note that the initial interest rate will remain in effect for a ten (10) year period and is subject to annual adjustments thereafter. For example, on a \$10,000, 30 year loan with an initial interest rate of 9.50%, (in effect February, 2009), the maximum amount that the interest rate can rise to under this program is five (5) percentage points, to 14.50%, and the monthly payment can rise from an initial ten (10) year payment of \$84.09 to a maximum payment of \$115.46 in the 11th year. To see what your initial payment might be based upon this example, divide your mortgage amount by \$10,000; then multiply the monthly payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$100,000 would be: $\$100,000 \div \$10,000 = 10$; $10 \times \$84.09 = \840.90 per month.)

This summary is intended for reference purposes only. Important information relating specifically to your loan will be contained in the loan documents, which alone will establish your rights and obligations under the loan plan. This disclosure does not address any other payments that may be required under the terms of your loan, for example, monthly escrow payments.