

DATE:
 BORROWER:
 LOAN #:
 PROPERTY ADDRESS:

ADJUSTABLE RATE MORTGAGE (ARM) DISCLOSURE
 1 Year LIBOR Loans - 10 Yr Interest Only - Deluxe Conforming

This disclosure describes the features of an Adjustable Rate Mortgage (ARM) program you are considering. Information about our other ARM programs will be provided upon request. This disclosure does not constitute a commitment to make a loan to you. If you eventually obtain a loan, the note, security instrument and related documents will establish your legal rights and obligations regarding this loan.

HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED				
<ul style="list-style-type: none"> After the first three, five, seven or ten years, depending on the program you select, your interest rate will be based on an index rate plus a margin. Please ask us for our current interest rate and margin. The Index is the average interbank offered rates for one year U.S. Dollar denominated deposits in the London Market ("LIBOR") as published in the <i>Wall Street Journal</i>. Your initial interest rate is not based on the index used to make later adjustments. If the initial interest rate is below the sum of the then-current index plus margin ("the fully indexed rate"), then the initial rate will be a "discounted" interest rate. If the initial interest rate is above the fully indexed rate, then it will be a "premium" interest rate. Please ask us for the amount of our current interest rate discounts and premiums. During the first ten years, your payment will be based on the interest rate and loan balance. After the first ten years of your loan, your payment will be based on the interest rate, loan balance and remaining loan term. 				
	3 YEAR FIXED C30i	5 YEAR FIXED C50i	7 YEAR FIXED C70i	10 YEAR FIXED C10i
	How Your Interest Rate Can Change			
Your Interest Rate can change:	After 3 years and annually thereafter.	After 5 years and annually thereafter.	After 7 years and annually thereafter.	After 10 years and annually thereafter.
Each time your interest rate changes, the new interest rate will equal the sum of the index plus the margin, subject to the following limits:	<ul style="list-style-type: none"> Your interest rate will be rounded to the nearest 1/8%. On the first change date, your interest rate will not increase by more than 2.00%. On each subsequent change date, your interest rate will not increase or decrease by more than 2.00%. Your interest rate will not increase by more than 6.00% over the term of the loan. 	<ul style="list-style-type: none"> Your interest rate will be rounded to the nearest 1/8%. On the first change date, your interest rate will not increase by more than 5.00%. On each subsequent change date, your interest rate will not increase or decrease by more than 2.00%. Your interest rate will not increase by more than 5.00% over the term of the loan. 	<ul style="list-style-type: none"> Your interest rate will be rounded to the nearest 1/8%. On the first change date, your interest rate will not increase by more than 5.00%. On each subsequent change date, your interest rate will not increase or decrease by more than 2.00%. Your interest rate will not increase by more than 5.00% over the term of the loan. 	<ul style="list-style-type: none"> Your interest rate will be rounded to the nearest 1/8%. On the first change date, your interest rate will not increase by more than 5.00%. On each subsequent change date, your interest rate will not increase or decrease by more than 2.00%. Your interest rate will not increase by more than 5.00% over the term of the loan.
	How Your Payment Can Change			
Your monthly payments will cover interest only:	For the first ten years of your loan. This means that your regular monthly payments will not reduce your loan balance.			
If you make voluntary principal payments during the interest only period (the first ten years of your loan):	Your required interest only payment will be reduced to reflect the decrease in your loan balance.			
After the first ten years of your loan:	<ul style="list-style-type: none"> The interest only period will end and your monthly payments will begin to reduce your loan balance. Your payments could increase substantially, even if your interest rate remains the same. 			
Your payment can change:	Each time the interest rate changes and can increase or decrease substantially based on changes in the interest rate. You will be notified in writing at least 25 days, but no more than 120 days before the due date of a payment at a new level. This notice will contain information about the index, your interest rates, payment amount, and loan balance.			
	The examples below illustrate interest rate and payment changes based on a \$10,000, 30-year loan with a 10-year Interest Only Period. These examples use an initial interest rate in effect on the 15th day of February, 2011, and assume the maximum periodic increases in rates and payments.			
	Examples of loans with a premium interest rate (above sum of index and margin)			
Initial Interest Rate	4.250 %	3.500 %	4.000 %	4.500 %
Maximum Interest Rate	10.250 %	8.500 %	9.000 %	9.500 %
Initial Monthly Payment (Interest Only)	\$ 35.42	\$ 29.17	\$ 33.33	\$ 37.50
Maximum Monthly Payment (Principal & Interest)	\$ 98.16 in the 11th year	\$ 86.78 in the 11th year	\$ 89.97 in the 11th year	\$ 93.21 in the 11th year
	Examples of loans with a fully-indexed interest rate (sum of index and margin)			
	<ol style="list-style-type: none"> Index as of February 15, 2011 is .0799. The index in effect at the time the initial interest rate is established for your loan may be different. The initial interest rate on your loan may be lower than, equal to or higher than the rate that is based on the index. Margin of 2.250 percentage points. This is a margin we have used recently. Your margin may be different. 			
Initial Interest Rate	3.000 %	3.000 %	3.000 %	3.000 %
Maximum Interest Rate	9.000 %	8.000 %	8.000 %	8.000 %
Initial Monthly Payment (Interest Only)	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Maximum Monthly Payment (Principal & Interest)	\$ 89.97 in the 11th year	\$ 83.64 in the 11th year	\$ 83.64 in the 11th year	\$ 83.64 in the 11th year
<p>NOTE: To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. (For example, the monthly payment for a \$60,000 3-year fixed loan with a premium interest rate would be \$60,000 / \$10,000 = 6; 6 x \$35.42 = \$212.52 per month.)</p>				
Signature	Date	Signature	Date	
Signature	Date	Signature	Date	