

DATE:

BORROWER:

LOAN #:

PROPERTY ADDRESS:

**NON-CONFORMING AND NON-CONFORMING EXPANDED CRITERIA "INTEREST ONLY" FIXED PERIOD LIBOR ARMS**

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.

HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED				
<ul style="list-style-type: none"> <li>After the first three, five, seven or ten years of your loan, as applicable, your interest rate will be based on an index rate plus a margin. Please ask us for our current interest rates and margins.</li> <li>The "index" is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in <i>The Wall Street Journal</i>.</li> <li>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 interest 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.</li> </ul>				
	3/1 ARM	5/1 ARM	7/1 ARM	10/1 ARM
<b>How Your Interest Rate Can Change</b>				
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.
<b>How Your Payment Can Change</b>				
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"> <li>Your interest rate will be rounded to the nearest 1/8%.</li> <li>On the first change date, your interest rate can increase or decrease by 2.0%.</li> <li>On each subsequent change date, your interest rate will not increase by more than 2.0%.</li> <li>Your interest rate will not increase by more than 6.0% over the life of your loan.</li> </ul>	<ul style="list-style-type: none"> <li>Your interest rate will be rounded to the nearest 1/8%.</li> <li>On the first change date, your interest rate can increase or decrease by 5.0%.</li> <li>On each subsequent change date, your interest rate will not increase by more than 2.0%.</li> <li>Your interest rate will not increase by more than 5.0% over the life of your loan.</li> </ul>	<ul style="list-style-type: none"> <li>Your interest rate will be rounded to the nearest 1/8%.</li> <li>On the first change date, your interest rate can increase or decrease by 5.0%.</li> <li>On each subsequent change date, your interest rate will not increase by more than 2.0%.</li> <li>Your interest rate will not increase by more than 5.0% over the life of your loan.</li> </ul>	<ul style="list-style-type: none"> <li>Your interest rate will be rounded to the nearest 1/8%.</li> <li>On the first change date, your interest rate can increase or decrease by 5.0%.</li> <li>On each subsequent change date, your interest rate will not increase by more than 2.0%.</li> <li>Your interest rate will not increase by more than 5.0% over the life of your loan.</li> </ul>
Your monthly payments will cover interest only:	For the first 3 or 10 years of your loan, depending on which program you choose.	For the first 5 or 10 years of your loan, depending on which program you choose.	For the first 7 or 10 years of your loan, depending on which program you choose.	For the first 10 years of your loan.
If you make voluntary principal payments during the interest only period:	Your required interest only payment will be reduced to reflect the decrease in your loan amount.			
Your monthly payments can change:	Each time the interest rate changes and can increase or decrease substantially based on the changes in the interest rate.			
For the first 3, 5, 7 or 10 years of your loan, as applicable, your regular monthly payments will not reduce your loan balance. After this initial interest-only period, your monthly payments will begin to reduce your loan balance. This means that your payments could increase substantially when the interest-only period ends, even if your interest rate stays the same or goes down.				
You will be notified in writing:	At least 25, 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 using an initial interest rate in effect on the first business day of _____, 20____ and assuming the maximum periodic increases in rates and payments. This program may also be available with a 40-year term.			
<b>Examples of loans with a discounted interest rate (below sum of index and margin)</b>				
Initial Interest Rate	%			
Maximum Interest Rate	%			
First Year Payment	\$			
Maximum payment	\$ _____ in the 11th year			
<b>Examples of loans with a premium interest rate (above sum of index and margin)</b>				
Initial Interest Rate	%			
Maximum Interest Rate	%			
First Year Payment	\$			
Maximum payment	\$ _____ in the 11th year			
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 3/1 ARM with a premium interest rate would be: \$60,000 / \$10,000 = 6; 6 x _____ = \$ _____.				

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Date  
Applicant  
Applicant

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