

ADJUSTABLE RATE MORTGAGE LOAN DISCLOSURE

FIVE/ONE YEAR ADJUSTABLE RATE MORTGAGE WITH 30 YEAR TERM

This disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. Disclosures and further information on other ARM programs are available upon request.

HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED

Your interest rate and payment can change. Starting with your first change, your interest rate will be based on the index rate plus a margin, and will be rounded to the nearest 1/8th of one percent. Your payment will be based on the interest rate, loan balance and remaining loan term. Ask us for our current interest rate and margin.

Many of the terms used here, such as "Index" and "Margin" are explained in the booklet entitled "Consumer Handbook on Adjustable Rate Mortgages", which we have given to you.

Your index is the weekly average yield on U.S. Treasury securities adjusted to a constant maturity of one year, published in the Federal Reserve Board's Statistical Release H.15 (519).

At the time we change your interest rate, it will be set to equal the index plus a margin, and rounded to the nearest 1/8th of one percent. This calculation will equal your new interest rate unless your rate "cap" limits the amount of change in the interest rate. See the description of the "cap" in the section below.

Please note, however, that your initial interest rate is not based on the index used to make later adjustments. Initial interest rates, which have been set in this manner, are often referred to as having been "discounted." Ask us for the amount this adjustable rate mortgage program is currently "discounted."

HOW YOUR INTEREST RATE CAN CHANGE

Your interest rate and payment can change yearly after the initial five year fixed rate period. (The amounts and changes in any tax escrows or insurance escrows are not described in or taken into account in this advance disclosure.)

Your interest rate cannot increase or decrease more than 2.00 percent at the time of the first adjustment or at each subsequent adjustment. Your interest rate cannot increase or decrease more than 6.00 percent from the initial interest rate over the term of the loan. (These are called interest rate "caps.")

HOW YOUR MONTHLY PAYMENT CAN CHANGE

Your initial monthly payment will remain in effect for 60 months. Subsequently, your monthly payment can change every twelve (12) months based on changes in the calculation of the index plus our margin. (The amounts and changes in any tax escrows or insurance escrows are not described in or taken into account in this advance disclosure.)

For example, on a \$10,000 30 year loan with an initial interest rate of 5.490%, our rate as of September 1, 2008, the maximum amount that the interest rate can rise under this loan program is 6.00 percentage points to 11.490% and the monthly payment can rise from a first year payment of \$56.72 to a maximum of \$92.96 in the eighth year. The periodic payment may increase or decrease substantially depending on changes in the interest rate. The payments are principal and interest only and do not include tax escrow or insurance escrow payments.

To see what your payments would be, 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 x \$56.72 = \$340.32 per month.)

We will send you a written notice at least 30, but not more than 60 days before the scheduled interest adjustment date. This notice will contain information about your index, interest rates, payment amount and loan balance.

I acknowledge receipt of this Adjustable Rate Mortgage Program Disclosure.

Borrower

Co-borrower

Date