



Three Year Interest Only Mortgage Disclosure

Three Year Interest Only Loan Plan

Date

This disclosure describes the features of Three Year Interest Only Loan Plan you are considering. Information on the other Loan Plans will be provided upon request.

How Your Interest Rate and Payment are Determined:

Your interest rate shall be fixed for the first thirty-six (36) months and the Monthly Payment shall be calculated to pay interest only. During the following twelve (12) years, the principal and interest will be based on the interest rate and loan balance fully amortized over thirty (30) years. The entire principal balance will be due in full on the maturity date at the end of the initial fifteen (15) years.

Your interest rate after the initial interest rate will be based on an index rate plus a margin of 2.5%. Your initial interest rate may reflect a discount. Please ask us about our current interest rate. The index used to determine your interest rate after the initial interest rate is equal to the average yield of the 6 month London Interbank Offering Rate (LIBOR) as published in the Wall Street Journal. The index for your loan will be that which is the most recent figure available as of the date 45 days before each change date occurs.

Your interest rate will equal the index rate plus our margin rounded up to the nearest 1/8 percent unless your interest rate "cap" limits the amount of the increase or decrease in the interest rate.

Your principal and interest payment will be based on the interest rate, loan balance and remaining loan term. Changes in the interest rate will result in an increase or decrease in your monthly payment.

How Your Interest Rate Can Change:

Your interest rate can change after the first 36 months and every 6 months thereafter to the index value plus the margin, subject to the following limits:

Your interest rate will be rounded up to the nearest 1/8 percent.

Your interest rate cannot decrease more than .50% below your initial interest rate.

Your interest rate cannot increase or decrease more than 5% at the initial adjustment.

Your interest rate cannot increase or decrease more than 1% at each subsequent 6 month adjustment.

Your interest rate ceiling is equal to the initial interest rate plus 6%.

How Your Payment Can Change:

The periodic payment may increase or decrease substantially depending on changes in the rate. You will be notified in writing at least 30 days, but no more than 45 days, before a payment adjustment may be made. This notice will contain information about your interest rate, payment amount and loan balance.

Prepayment Fees:

Your loan is subject to a prepayment fee if there is any unscheduled principal reduction during the first two years of the loan. Following the first two years, the loan may be prepaid in whole or in part without any prepayment premium. The following prepayment fee will apply during the first two years of the loan:

1st Year 4.00%; and 2nd Year 2.00%.

Borrower:	Date:	Borrower:	Date:
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