

1 YEAR, 3 YEAR, 5 YEAR, 7 YEAR AND 10 YEARS FIXED PERIOD ADJUSTABLE RATE LOANS
Portfolio 30 Year Term

This disclosure describes the features of the Adjustable Rate Mortgage (ARM) program you are considering. Information about our other ARM programs will be provided to you upon request. Your loan program may have a prepayment penalty. A prepayment penalty disclosure will be provided at the time of loan approval.

How Your Interest Rate And Payment Are Determined					
<p>After the first one, three, or five years of your loan, as applicable, your interest rate will be based on an index rate plus a margin. Your payment will be based on the interest rate, loan balance, remaining term, and other provisions of your loan documents. Please ask us about our current interest rates and margins. The "index" is the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of one year. Index values are published by the Federal Reserve in Statistical Release H.15 (519). 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 rate will be a "discounted" interest rate. If your initial interest rate is a "discounted" interest rate, at the first interest rate adjustment your rate may increase even if the index remains the same or decreases. If the initial interest rate is above the fully indexed rate, then it will be a "premium" interest rate. If your initial interest rate is a "premium" interest rate, at the first interest rate adjustment your rate may decrease even if the index remains the same or increases. Your interest rate may change. 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:</p>					
How Your Interest Rate Can Change					
1 Year ARM	3/1 ARM	5/1 ARM	7/1 ARM	10/1 ARM	
After one year and annually thereafter	After three years and annually thereafter	After five years and annually thereafter	After seven years and annually thereafter	After ten years and annually thereafter	
<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 can increase or decrease by 2%. • On each subsequent change date, your interest rate will not increase or decrease by more than 2%. • Your interest rate will not increase or decrease by more than 6% over the life of your 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 can increase or decrease by 2%. • On each subsequent change date, your interest rate will not increase or decrease by more than 2%. • Your interest rate will not increase or decrease by more than 6% over the life of your 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 can increase or decrease by 2%. • On each subsequent change date, your interest rate will not increase or decrease by more than 2%. • Your interest rate will not increase or decrease by more than 6% over the life of your 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 can increase or decrease by 2%. • On each subsequent change date, your interest rate will not increase or decrease by more than 2%. • Your interest rate will not increase or decrease by more than 6% over the life of your 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 can increase or decrease by 2%. • On each subsequent change date, your interest rate will not increase or decrease by more than 2%. • Your interest rate will not increase or decrease by more than 6% over the life of your loan. 	
NOTIFICATION OF CHANGES:			HOW YOUR MONTHLY PAYMENT CAN CHANGE:		
You will be notified at least 210 days, but no more than 240 days, before the due date of your first payment at a new level. You will be notified in writing at least 60 days, but no more than 120 days, of any subsequent payment changes. This notice will contain information about the index and interest rate, payment amount, and loan balance.			For the first one, three, five, seven or ten years of your loan, your regular monthly payments will be at a constant rate. Your interest rate can change every twelve months after the first interest rate change date. Your monthly payment can increase or decrease substantially based on annual changes in the interest rate.		
The examples below illustrate interest rate and payment changes based on a \$10,000, 30-year loan using an initial rate in effect on the first business day of January.					
Example of Loans with a Discounted Interest Rate (Below Sum of Index and Margin)					
	1 Year ARM	3/1 ARM	5/1 ARM	7/1 ARM	10/1 ARM
Initial Interest Rate	3.50%	3.50%	4.50%	4.75%	5.00%
Maximum Interest Rate	9.50%	9.50%	10.50%	10.75%	11.00%
First Year Payment	\$44.91	\$44.91	\$50.67	\$52.17	\$53.69
Maximum Payment	\$84.09 in the 5 th year	\$84.09 in the 7 th year	\$91.48 in the 9 th year	\$93.35 in the 11 th year	\$95.26 in the 14 th 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 5/1 ARM with a discounted rate would be: \$60,000 / \$10,000 = 6:6 X \$53.68 = \$322.08.					

This is not a commitment to make a loan. I hereby acknowledge receipt of this ARM disclosure and a copy of the Consumer Handbook on Adjustable Rate Mortgages.

Applicant	Date	Applicant	Date
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