

Date: _____
 Applicants: _____

 Loan No.: _____
 Property: _____

CONFORMING FIXED PERIOD LIBOR ARM DISCLOSURE

- Your interest rate will be based on an index rate plus a margin. Please ask us for our current interest rates and margins.
- The index is the average of Interbank offered rates for one year U.S. dollar-denominated deposits in the London market, as published in The Wall Street Journal.
- 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.
- Your payment will be based on the interest rate, loan balance, and remaining loan term.

	CONFORMING 5/1 LIBOR ARM	CONFORMING 7/1 LIBOR ARM	CONFORMING 10/1 LIBOR ARM
Your interest rate can change:	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%, subject to the limitations below. • On the first adjustment, your interest rate will not increase or decrease by more than 5.0%. • On each subsequent adjustment, your interest rate will not increase or decrease by more than 2.0%. • Your interest rate will not increase by more than 5.0% over the term of the loan. 	<ul style="list-style-type: none"> • Your interest rate will be rounded to the nearest 1/8%, subject to the limitations below. • On the first adjustment, your interest rate will not increase or decrease by more than 5.0%. • On each subsequent adjustment, your interest rate will not increase or decrease by more than 2.0%. • Your interest rate will not increase by more than 5.0% over the term of the loan. 	<ul style="list-style-type: none"> • Your interest rate will be rounded to the nearest 1/8%, subject to the limitations below. • On the first adjustment, your interest rate will not increase or decrease by more than 5.0%. • On each subsequent adjustment, your interest rate will not increase or decrease by more than 2.0%. • Your interest rate will not increase by more than 5.0% over the term of the loan.
HOW YOUR PAYMENT CAN CHANGE			
Your payment can change:	Each time the interest rate changes and can increase or decreased substantially based on the changes in the interest rate.		
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.		
ASSUMABILITY			
	5/1, 7/1 AND 10/1: Loan is not assumable until after the first interest rate change		
INTEREST RATE AND PAYMENT CHANGE EXAMPLES			
	The examples below illustrate interest rate and payment changes based on a \$10,000, 30-year loan. These examples use an initial rate in effect for 30-year loan on the first business day of January, 2013 and assume the maximum periodic increases in rates and payments. This loan may also be available with a 40-year term.		

EXAMPLES OF LOANS WITH A DISCOUNTED INTEREST RATE (BELOW SUM OF INDEX AND MARGIN)			
Initial interest rate:	3.000%	3.250%	3.500%
Maximum interest rate:	8.000%	8.250%	8.500%
First year payment:	\$42.16	\$43.52	\$44.90
Maximum payment:	\$68.62 in the 6 th year	\$68.44 in the 8 th year	\$67.20 In the 11 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 30 year \$60,000 5/1 LIBOR ARM with a discounted rate would be: \$60,000 / \$10,000 = 6; 6 X \$43.52 = \$261.12

Borrower Date

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