



VARIABLE RATE MORTGAGE PROGRAM DISCLOSURE

(This is neither a contract nor a commitment to lend)

LENDER _____

VARIABLE RATE LOAN PROGRAM: _____

This disclosure describes the features of the adjustable-rate mortgage (ARM) program you are considering. Information on other ARM programs is available upon request.

How Your Interest Rate and Payment are Determined

- * Your interest rate will be based on an index rate plus a margin.
- * Your payment will be based on the interest rate, loan balance, and loan term.
 - The interest rate will be based on the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, plus our margin. Ask us for our current interest rate and margin.
 - Information about the index is published in the Federal Reserve Statistical Release (H,15).
- * Your interest rate will equal the index rate plus our margin unless your interest rate "caps" limit the amount of change in the interest rate.
- * This variable rate mortgage loan has a premium feature, and your initial interest rate will not be based on the index used for later adjustments. Ask us for the amount of current interest rate premiums.
- * Example below reflects the first week ending in the month stated.

How Your Interest Rate Can Change

- * The maximum period of time before the first interest rate change date is thirty six months.
- * Your interest rate can change annually after the first change date.
- * Your interest rate cannot increase or decrease more than 2.000 percentage points at each adjustment.
- * Your interest rate cannot increase more than 6.000 or 7.000 percentage points over the term of the loan.
- * Your interest rate will be rounded to the nearest 0.125% at each adjustment.

How Your Monthly Payment Can Change

- * Your monthly payment can increase or decrease substantially based on changes in the interest rate.
- * For example, on a \$10,000 (1) 15 year loan with an initial interest rate of 9.500 percent (interest rate reflective of index plus margin, plus the amount of the premium) in effect in January 1999, the maximum amount that the interest rate can rise under the program is 6.0 or 7.0 percentage points, to 15.5 or 16.5 percent, and the monthly payment can rise from a first-year payment of \$104.42 to a maximum of \$135.14 in the Sixth year; or (2) 30 year loan with an initial interest of 9.500 percent (interest rate reflective of index plus margin, plus the amount of premium), in effect in January 1999, the maximum amount that the interest rate can rise under this program is 6.00 or 7.00 percentage points, to 15.5 or 16.5 percent, and the monthly payment can rise from a first-year payment of \$84.09 to a maximum of \$ 127.95 in the Sixth year.
- * 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:
 - (1) for a 15 year term: $\$60,000 / \$10,000 = 6.00 \times \$104.42 = \626.52 ; or
 - (2) for a 30 year term: $\$60,000 / \$10,000 = 6.00 \times \$84.09 = \504.54
- * You will be notified in writing at least 25 days before the due date of a payment at a new level. This notice will contain information about your index, interest rates, payment amount, and loan balance.

I/We hereby acknowledge receipt of this variable rate program disclosure and a copy of the Consumer Handbook on Adjustable Rate Mortgages on the date indicated below.

Lender	X
Authorized Representative	Borrower Date
Date	X
	Co-Borrower Date