FHA 5/1 ADJUSTABLE RATE LOAN PROGRAM DISCLOSURE

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

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

- We will establish the initial interest rate on a loan you obtain under this program based on market conditions. Ask us for our current interest rate. If you choose not to lock in an interest rate at time of application, your initial interest rate may be different than the initial interest rate in effect at the time you apply for your loan. The initial interest rate may be greater or less than the interest rate on the loan after the first interest rate adjustment..
- The initial interest rate is not necessarily based on the index used to make later interest rate adjustments. Ask us for the amount of current interest rate discounts.
- Beginning with the first interest rate adjustment, the interest rate on a loan you obtain under this program will be based on an index plus a margin.
- The index is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board in Statistical Release H. 15(519). If the index is no longer available at any time during the term of the loan, we (or the designated loan servicer) will choose a new index that is based upon comparable information and give you advance notice of this choice.
- The margin is a percentage stated in your loan documents. Ask us about our current margins.
- Your initial monthly payment will be based on the interest rate, loan balance and loan term.

HOW YOUR INTEREST RATE CAN CHANGE

- Your interest rate can change after an initial period of sixty (60) to sixty-six (66) months and every twelve (12) months thereafter during the term of the loan. The term of your initial interest rate and monthly payment is based on your first payment date at closing.
- Starting with the first interest rate adjustment on your loan, the interest rate will be calculated by adding the margin to the most recent index figure available as of the date 30 days preceding the adjustment date. We (or the designated loan servicer) will then round the result of the addition to the nearest one-eighth of one percentage point (0.125%). Subject to the interest rate caps discussed below, this rounded amount will be your new interest rate until the next date on which your interest rate could change.
- Your interest rate cannot increase or decrease more than one (1) percentage points at the time of each interest rate adjustment.
- Your interest rate cannot increase more than five (5) percentage points over the term of the loan. At no time will the interest rate be less than the margin.

HOW YOUR PAYMENT CAN CHANGE

- Your monthly payment can change at the end of the initial sixty (60) to sixty-six (66) months and every twelve (12) months thereafter during the term of the loan. The term of your initial interest rate and monthly payment is based on your first payment date at closing.
- You will be notified in writing of any changes in your interest rate and the amount of your monthly payment before the effective date of the change. The notice will include information about the interest rate, payment amount and loan balance and other information required by law.
- Your monthly payment can change substantially depending on changes in the applicable interest rate. Please note that the initial interest rate will remain in effect for a five (5) year period and is subject to annual adjustments thereafter. For example, on a $10,000, 30 year loan with an initial interest rate of 5.25%, (in effect August, 2009), the maximum amount that the interest rate can rise to under this program is five (5) percentage points to 10.25%, and the monthly payment can rise from an initial five (5) year payment of $55.22 to a maximum payment of $83.68 in the 10th year. To see what your initial payment might be based upon this example, divide your mortgage amount by $10,000; then multiply the monthly payment by that amount. (For example, the initial monthly payment for a mortgage amount of $100,000 would be $100,000 divided by $10,000 = 10; 10 x $55.22 = $552.20 per month).
- The following is an additional example of the effect of interest rates and monthly payments for the first eight years of the loan assuming potential increases over an eight year time period and based on a $10,000 loan amount:

Payments	Interest Rate	Monthly Payment
1 – 60 *	5.25%*	$55.22
61 - 72	6.25%	$60.79
73 - 84	7.25%	$66.44
85 - 96	8.25%	$72.16

* The term of the initial interest rate and monthly payment may be between 60 -66 months.

This summary is intended for reference purposes only. Important information relating specifically to your loan will be contained in the loan documents, which alone will establish your rights and obligations under the loan plan. This disclosure does not address any other payments that may be required under the terms of your loan, for example, monthly escrow payments.

Receipt of a copy of this Disclosure and a copy of the Consumer Handbook on Adjustable Rate Mortgages is hereby acknowledged.

Revised 04/17/2014

Borrower	Date	Borrower	Date

Borrower	Date	Borrower	Date

Revised 04/17/2014