7/1 LIBOR ARM DISCLOSURE

Residential Mortgage Lending Unit Notice:

This disclosure describes the features of an Adjustable Rate Mortgage (ARM) program you are considering. Information about our other ARM programs will be provided upon request.

HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED

- Your interest rate will be adjusted based on an index rate plus a margin. Please ask us for our current interest rates and margins.
- The index rate is One (1) Year London Interbank Offered Rate (LIBOR). The rate is most commonly published in financial Publications, such as 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 current index plus margin (the "fully indexed rate") at a later time, 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 our current interest rate discounts and premiums.
- The most recent index available 45 days before the Change Date will be used to determine your new rate.

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Your Interest Rate can change: After 7 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:

- Your interest rate will be rounded to the nearest 1/8%.
- Your first adjustment max rate is 1%
- Your interest rate will not increase by more than 2.0% per adjustment.
- 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, the rate can increase or decrease substantially based on the changes in the interest rate. You will be notified in writing by at least 25 days 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.

Example Case

The examples below illustrate interest rate and payment changes based on a $10,000, 30-year loan. These examples use an initial interest rate in effect as of the first business day of April 2014 (index value of 0.55%, margin of 2.75%) and assume the maximum periodic increases in rates and payments.

	Example of loans with a discounted interest rate (below sum of index and margin)
Initial Interest Rate	N/A
Max Interest Rate	N/A
First Year Payment	N/A
Maximum Payment	N/A
	Example of loans with a premium interest rate (above sum of index and margin)
Initial Interest Rate	4.75%
Max Interest Rate	9.75%
First Year Payment	$52.16
Maximum Payment	$78.53

NOTE: To determine 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 $100,000 7/1 ARM loan with a premium interest rate would be: $100,000 / $10,000 = 10; 10 x $55.22 = $552.20 per month.)

Assumability

7/1 ARM Loans are not assumable at any time.