guaranteedRate

Seven/One Treasury Adjustable-Rate Loan program Disclosure – Interest Only
Important Mortgage loan Information
Please read carefully
(caps 5/2/5)

This disclosure describes the features of the Adjustable-Rate Mortgage (ARM) program you are considering. Information on other ARM programs available from your lender will be provided upon request.

This disclosure does not constitute a commitment to make you a loan to you. If you eventually obtain a loan, the note, security instrument and related documents will establish you legal rights and obligations regarding the loan.

HOW YOUR INTERESTS RATE AND PAYMENT ARE DETERMINED:

- Your initial interest rate for the loan will be established by us based on market conditions. As a result, your initial interest rate will not be based on the index used to make later adjustments. Your initial interest rate may be lower than, equal to or higher than the rate that is based on the index. Please ask us for the current initial interest rate, and whether it is lower than, equal to or higher than the rate based on the index.
- Your interest rate will be periodically adjusted based on the index rate plus a margin. Please ask us for the current index rate and margin.
- The weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as published in the Federal Reserve Board's Statistical Release H.15 (519). You can find out about this Index by writing to the Federal Reserve, Publications Department, Washington, D.C. or by calling (202) 452-3245 to request that you be sent this information.
- The effective date of a change in the interest rate is the Change Date.
- Except for initial interest rate, which may be lower than, equal to or higher than the rate that is based on the index, your interest rate will be equal to the index rate plus the margin, rounded to the nearest one-eighth of one percentage point (.125%), unless your interest rate "caps" limit the amount of change in the interest rate on a Change Date.
- Please note that if your initial interest rate is lower than the rate that is based on your index, your interest rate may increase on the first Change Date even if the index decreases.
- Payments made during the first seven (7) years will be applied towards interest only. This means that the regular monthly payments will not reduce the principle balance during the first seven (7) years of your loan.
- Beginning in year eight (8), payments will be applied towards principle and interest.
- During the interest only period, your payment will be based on the interest rate and loan balance. After that period, your payment will be based on the interest rate, loan balance and remaining loan term
- The interest-only payment is calculated each month based on the current unpaid balance. If the borrower makes a voluntary prepayment of principal during the interest-only period, the month payment for subsequent payments will be based on the lower principal balance

HOW YOUR INTEREST RATE CAN CHANGE:
Your interest rate is fixed for the first eighty-four (84) months, after which the interest rate can change every twelve (12) months to the index rate plus the margin, subject to the following limits.

- Your interest rate will be rounded to the nearest one-eighth of one percentage point (.125%).
- Your interest rate cannot increase or decrease more than five percentage points (5.00%) at the first Change Date and two percentage point (2.00%) increase or decrease per adjustment thereafter.
- Your interest rate cannot increase by more than five percentage points (5.00%) over the term of the loan.
- Your interest rate cannot decrease to be less than the margin over the term of the loan.

HOW YOUR PAYMENT CAN CHANGE:

- Your payment can change each time your interest rate changes.
- You will be notified in writing at least twenty-five (25) days before the due date of each adjustment. This notice will contain information about your interest rate, payment amount and loan balance.
- Your payment may increase or decrease over the term of the loan.

INITIAL AND MAXIMUM INTEREST RATE:
For example, on a 10,000 thirty-year loan with an initial rate of 7.625% (index[1] plus margin[2] rounded to the nearest .125%), the maximum amount that the interest rate can rise under this program is five percentage points (5.00%) to 12.6250%, and the monthly payment can rise from the first year payment of $63.54 to a maximum of $105.21 in the 8th year.

CALCULATING YOUR PAYMENTS:
To see what your payments (excluding escrow payments) would be, divide your mortgage amount by $10,000; then multiply the loan payment by that amount. (For example, the monthly payment for a mortgage amount of $60,000 would be $60,000 / $10,000 = 6; 6 x $51.04 = $306.24.)
The undersigned hereby acknowledge receipt of a copy of this disclosure.

Borrower	Date	Co-Borrower	Date

[1] *Index as of March 2006, 4.800. The index in effect at the time the initial interest rate is established for your loan may be different.. The initial interest rate on your loan may be lower than, equal to or higher than the rate that is based on the index*

[2] *Margin of 2.75 percentage points. This is a margin we have used recently. Your margin may be different*