

DATE;
 BORROWER:
 LOAN #:
 PROPERTY ADDRESS:

PRODUCT CODE: CAL330CW
 CAL530CW

CONFORMING 3/1 & 5/1 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* ("LIBOR").
- 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 3/1 LIBOR ARM	Conforming 5/1 LIBOR ARM
Your interest rate can change:	After 3 years and annually thereafter:	After 5 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 not increase or decrease by more than 2.0% per adjustment. • Your interest rate will not increase by more than 6.0% over the term of your loan. 	<ul style="list-style-type: none"> • 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 decrease substantially based on the changes in the interest rate.	
You will be notified:	At least 25, but not 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 rate, payment amount, and loan balance.	
Assumability		
	3/1: Loan is assumable at any time 5/1: Loan is not assumable until after the first interest rate change.	
Interest Rate and Payment Change Examples		
	<i>The examples below illustrate interest rate and payment changes based on a \$10,000, 30-year loan using an initial interest rate in effect on January 1, 2005 and assuming the maximum periodic increases in rates and payments.</i>	
Examples of loans		
Initial interest rate:	4.625%	4.875%
Maximum interest rate:	10.625%	9.875%
First year payment	\$51.42	\$52.93
Maximum payment:	\$88.38 In the 6 th year	\$82.49 In the 6 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 \$60,000 3/1 LIBOR ARM would be: $\$60,000/\$10,000 = 6$; $6 \times \$51.42 = \308.52	

 Applicant Date

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