TRUTH-IN-LENDING DISCLOSURE STATEMENT
EXAMPLE AND EXPLANATION OF TERMS

<table>
<thead>
<tr>
<th>ANNUAL PERCENTAGE RATE</th>
<th>FINANCE CHARGE</th>
<th>AMOUNT FINANCED</th>
<th>TOTAL OF PAYMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>The cost of your credit as a yearly rate.</td>
<td>The dollar amount the credit will cost you.</td>
<td>The amount of credit provided to you or on your behalf.</td>
<td>The amount you will have paid after you have made all payments as scheduled.</td>
</tr>
<tr>
<td>16.120%</td>
<td>$68,245.00</td>
<td>$21,980.00</td>
<td>$90,225.00</td>
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</tbody>
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Q? What is a Truth-In-Lending Disclosure Statement?
A. The Truth-In-Lending Disclosure Statement ("Disclosure") is a document that provides you with information about the effective cost of your loan. This Disclosure must be provided to you in accordance with regulatory requirements to allow you to make a comparison of costs associated with your financing.

Q? What is the Annual Percentage Rate? (Box "A" above)
A. The Annual Percentage Rate, commonly called the "APR", is the cost of your loan expressed as a yearly rate. The APR provides you with the ability to compare the cost of your loan among lenders, by taking into consideration origination and discount fees (points), private mortgage insurance premiums (if applicable), and other prepaid finance charges (fees to the lender and certain other parties) paid from the loan at settlement. This is not the Note Rate for which you applied, nor from which the daily interest calculation is made.

Q? Why is the Annual Percentage Rate different from the interest rate that I applied for and was given?
A. Since other loan costs and fees are required by federal and state regulations to be included in the calculation of the APR, it is generally higher than the interest rate for the mortgage loan. The APR is calculated using the Amount Financed (Box C), along with your actual monthly payment for the loan amount credited to you at settlement. This results in a different percentage rate called the APR.

For example: A $25,000 loan for a 25 year term at a fixed interest rate of 13.99%, with $3,020 of prepaid finance charges, would require a monthly principal and interest payment of $300.75. The Amount Financed of $21,980.00 and the payment of $300.75 based on the actual mortgage amount of $25,000 results in an APR of 16.120%, which is higher than the interest rate for the mortgage.

Q? What is the Finance Charge? (Box "B" above)
A. The Finance Charge represents the total dollar amount of interest you will have to pay over the full term of the loan. It is calculated using the interest rate for the term of the loan, plus prepaid finance charges and the total amount of any required private mortgage insurance premiums (if applicable). It can also be stated in another way:

Total of Payments - Prepaid Finance Charges = Repayment of Principal = Finance Charges

Q? What is the Amount Financed? (Box "C" above)
A. The Amount Financed is the net loan amount. It is determined by subtracting prepaid finance charges from the amount of the loan.

For example: If your loan is $25,000 and your prepaid finance charges are $3,020, then the Amount Financed would be $21,980. This is one of the figures used in calculating the APR.

Q? Does this mean I will get a smaller loan than I applied for?
A. No. Your loan was approved for the amount you applied for which included those charges.

Q? What is the total of Payments? (Box "D" above)
A. The Total of Payments represents the total dollar amount you will have to pay over the entire term of the loan. This amount includes the repayment of principal, interest, private mortgage insurance (if applicable), but does not include payments for real estate taxes or insurance premiums, and is calculated as follows:

Total Number of Payments x Payment Amount = Total of Payments

Q? My Disclosures (MAY) say that if I pay the loan off early, I will not be entitled to a refund of part of the finance charge. What does this mean?
A. This means that you will be charged interest for the period of time you use the money loaned to you. Your prepaid finance charges and any interest already paid are not refundable.

THE EXAMPLE USED ABOVE IS FOR INFORMATIONAL AND ILLUSTRATIVE PURPOSES ONLY AND IS NOT BASED ON THE LOAN AMOUNT, RATES OR FEES APPLICABLE TO YOUR PARTICULAR LOAN.