CENTURYPOINT MORTGAGE

EARLY INTEREST ONLY ARM DISCLOSURE STATEMENT

CenturyPoint Mortgage
1455 Lincon Parkway, Suite 250
Atlanta, GA 30346

PROGRAM NAME: 5/1 LIBOR ARM 10 Year IO
Average of the London Interbank Offered Rate (LIBOR) for one year U.S. dollar denominated deposits as published by the Wall Street Journal.

IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan.

ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE. You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as "Change Date") will be specified in the ARM loan documents. This ARM is based on the terms and conditions set forth in this disclosure and in the loan documents. We have based this disclosure on recent interest rates, index and margin values, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

HOW YOUR INTEREST RATE IS DETERMINED. Your interest rate will be determined by means of an index that may change from time to time.

The Index. The interest rate change on this ARM will be based on an interest rate index (referred to in this disclosure as the "Index.") The Index is **Average of the London Interbank Offered Rate (LIBOR) for one year U.S. dollar denominated deposits as published by the Wall Street Journal.**. Information about the index is available in the Federal Reserve Statistical Release H-15 (www.federalreserve.gov/releases/h15).

Interest Rate. Your interest rate is based on the Index value plus a margin, rounded to the nearest **0.125** percent. A change in the Index generally will result in a change in the interest rate. The amount that your interest rate may change also may be affected by the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

Initial Interest Rate Discount. Your initial interest rate will be discounted and will not be based on the Index used to make later adjustments. You should note, however, that because your initial interest rate will be discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. Ask us for the amount of the current interest rate discount.

Interest Rate Adjustments. Your interest rate under this ARM can change after **60** month(s) and every **12** months thereafter . Your interest rate cannot increase or decrease more than **5.000** percentage points at first adjustment and **2.000** percentage points per subsequent adjustment from the initial interest rate excluding any buydown. Your interest rate will never be greater than **5.000** percentage points above the initial interest rate or lower than **2.250**.

HOW YOUR PAYMENTS ARE DETERMINED. Your initial monthly payment of only interest during the first **120** months will be determined based on the interest rate and the outstanding principal balance of the loan. After the interest-only period, your monthly payment of principal and interest will be determined based on the interest rate, the loan balance, and the remaining loan term. The loan term is **360** months. After **120** months, your payment will be set to amortize the loan over the remainder of the loan term.

Frequency of Payment Changes. Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **60** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

Limitations on Interest Rate Payment Changes. Your interest rate will not increase or decrease on the first change date by more than **5.000** percentage points from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000** percentage points per year. Your interest rate cannot increase more than **5.000** percentage points above the initial interest rate (excluding any buydown) over the life of the loan.

Adjustment Notices. You will be notified at least annually if interest rate changes occur. When an interest rate change will also involve a change in your monthly payment, you will be notified in writing (at least 25 calendar days, but not more than 120 calendar days) before the payment at the new level is due. The notice will indicate the adjusted payment amount, interest rate, Index value, and the outstanding loan balance at the time.

HOW YOUR PAYMENT CAN CHANGE ("Worst Case Scenario"). Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a $10,000 loan with a **360**- month term and an initial rate of **6%** (with **5/2/5** caps, a margin of **2.250** and index of **3.000** rounded to the nearest **0.125**%), the maximum amount that the interest rate can rise under this ARM program is **5** percentage points above the initial interest rate and the payment can rise from a first-year payment of $**50.00** to a maximum of $**91.67** in the **11th** year.

To see what your payment would be, divide your mortgage amount by $10,000, then multiply the monthly payment factor (above) by that amount. For example, the monthly payment for a new loan amount of $60,000 would be $60,000 divided by $10,000 = 6. Multiply the payment amount by this number, e.g. 6 x $**50.00** = $**300.**

PREPAYMENT. You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

DEMAND FEATURE. This loan **does not** include a demand feature.

DISCLOSURES FOR OTHER ARM PROGRAMS are available on request.

BORROWER ACKNOWLEDGEMENT

After having read the contents of the above disclosure, I/we acknowledge receipt of this disclosure and further acknowledge that this disclosure was completed in full prior to its receipt. I/we also acknowledge receipt of the handbook entitled "Consumer Handbook on Adjustable Rate Mortgages."

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Date

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Date