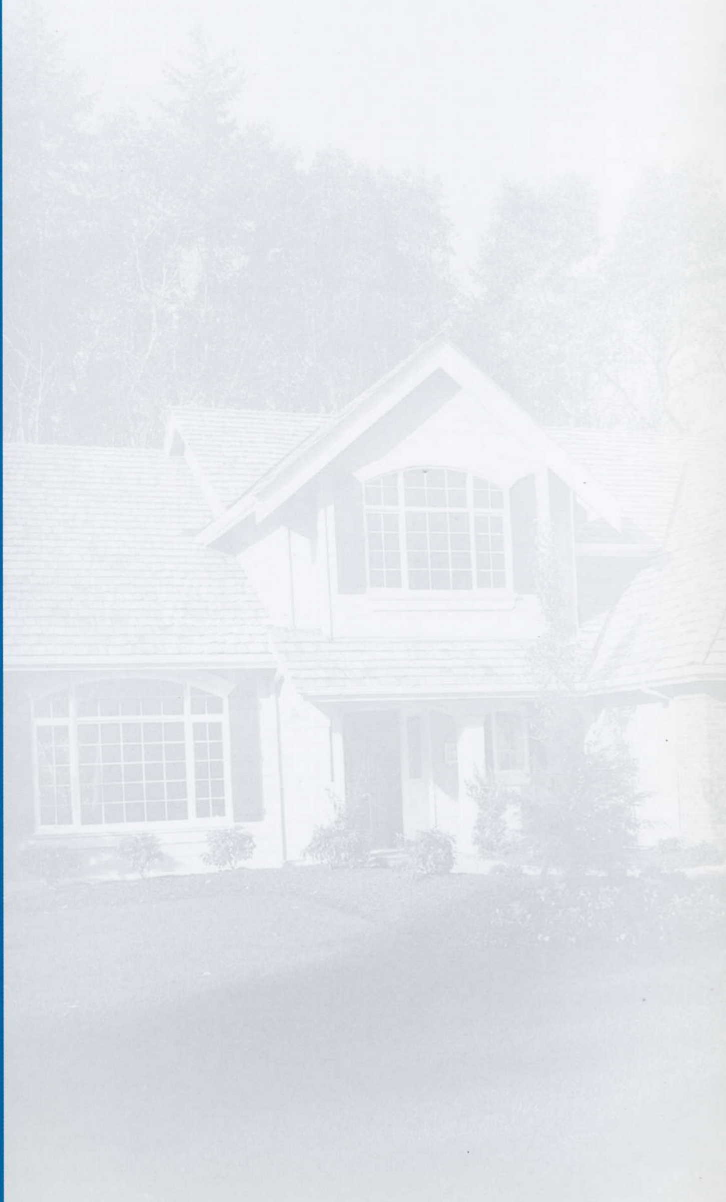
THE ARM ADVANTAGE

Get started today!

Take advantage of a competitive ARM product and contact me today. My business card is attached to the front of this brochure.



Rising Rates Pricing You Out of the Market?

An ARM can get you more home with Lower Payments.

Borrower Benefit Guide

The ARM Advantage: Flexibility

You find the perfect home. However, in the time it took to move forward, interest rates rose. Now, you no longer qualify for a fixed-rate mortgage for the home you have always wanted. That's why an Adjustable Rate Mortgage (ARM) can help you. ARM products have the flexibility of choice, a lower initial interest rate and various payment options, such as Interest Only or a minimum monthly payment. Plus, there are features such as flexible payment amounts and different economic indices to determine your interest rate risk.

ARM products are lending solutions – all designed to meet *your* needs and financial comfort level.

THE ARM ADVANTAGE

More Choices, More Possibilities: Intermediate ARMs

ARM products have the flexibility you want and rates you'll find hard to beat. And when you weigh any ARM against a standard fixed-rate product, you'll discover why an ARM is often the superior choice.

An Intermediate ARM is an excellent product if you want to start at a lower rate than most fixed-rate loans. That's because Intermediate ARMs feature a fixed rate for 3-10 years before rates adjust.

Terms include 3-year, 5-year, 7-year and 10-year

With an ARM, you may qualify for a larger mortgage, allowing you to buy a bigger home or one with that pool you've always wanted or maybe, it's just having a bit of "wiggle room" knowing that you can easily afford the house you've already chosen. Even better...you get more freedom with the Interest Only feature available on many different Intermediate ARMs.

Adjustment periods differ depending on whether the Intermediate ARM is based on the 1-year Constant Maturity Treasury Index (CMT) or the 6-month London Interbank Offered Rate (LIBOR) index:

- **Once a year for Treasury-based ARMs (CMT)**
- **Once every 6-months for LIBOR-based ARMs**

You'll immediately see the ARM advantage when you compare the rate and monthly payment of an Intermediate ARM to a Fixed Rate Mortgage. And with the average homeowner moving, upgrading or refinancing every 5 to 7 years – an ARM can be the right solution for just about anyone.

Loans That Adapt to Your Lifestyle: Pure Variable Rate ARMs

While an Intermediate ARM is superior in many ways to a fixed-rate mortgage, there are even more options with a pure variable rate mortgage such as an MTA ARM or certain LIBOR ARMs. Some LIBOR ARMs, such as the 6-month LIBOR, offer an Interest Only option that can lower your monthly payments. Ask your mortgage professional to find one that imposes no price adjustment and no negative amortization, allowing you to maximize your cash flow. An MTA ARM is based on the Monthly Treasury Average (MTA) index. One of the benefits is greater flexibility. Similar to your credit cards, many lenders give you a choice of payments each month:

- **the minimum payment, based on the start rate (including principal and interest)[1]**
- **the Interest Only option[2]**
- **the full payment**

What this means for you – quite simply, greater possibilities.

[1]The minimum monthly payment may result in negative amortization, and is recast every five years or as often as the outstanding loan balance reaches 110% of the original loan amount.

[2]Interest Only payments may not be less than the minimum monthly payment.

For Self-Employed or Commissioned Borrowers

Because you have 3 payment options every month, the MTA ARM is an excellent choice if you are self-employed or work on commission with inconsistent income.

For Savvy Investing

The MTA can help you maximize cash flow or defer interest to offset capital gains in a portfolio of securities for smart investing. And it works extremely well for purchasing investment properties where rentals may produce uneven cash flow.

Stability

The MTA ARM is one of the most stable, yet versatile products on the market today. Based on the Monthly Treasury Average, the MTA is not affected by the volatility of daily interest rates. That's because the MTA is a rolling 12-month average of the monthly yields on U.S. Treasury securities. Each month, the MTA Index adjusts to a maturity of one year, thus avoiding the sharper fluctuations

of other pure-rate indices. As a result, interest rate increases (or decreases) take longer to affect the MTA than other ARM indices.

The ARM advantage opens up more possibilities to meet you and your family's unique needs.

"Homeowners might have saved tens of thousands of dollars had they held adjustable-rate mortgages rather than fixed-rate mortgages during the past decade."[1]

- Federal Reserve Board Chairman, Alan Greenspan

Ask your mortgage professional to find an adjustable-rate mortgage that meets your unique needs. What's more, with an ARM, you may qualify for a lower rate that could put you in a bigger house or one with that pool you've always wanted.

[1]Quoted by various news agencies, February 23, 2004, from Mr. Greenspan's address to the Credit Union Association in Washington, D.C.