ADJUSTABLE RATE MORTGAGE LOAN PROGRAM DISCLOSURE
7/1 CONSTANT MATURITY TREASURY ARM PROGRAM

This disclosure describes the features of the Adjustable Rate Mortgage (ARM) program you are considering. Information on other ARM programs we offer will be provided upon request.

GENERAL DESCRIPTION OF ADJUSTABLE RATE MORTGAGE LOANS

The loan offered by N.I.H. Federal Credit Union ("NIHFCU" or "The Lender") is an adjustable rate mortgage. It is different from a fixed rate loan in that the interest rate and monthly principal and interest payments can change during the life of the loan. Because future movements of the index are related to market conditions that cannot be predicted, it is impossible to know in advance how much you will have to pay either each month or over the life of the loan. Interest rate and payment changes will be made according to certain rules that are explained in more detail below.

This is not a contract document, and should not be used to interpret any provisions of your Note or Deed of Trust, Mortgage or Security Deed (the Security Instrument). You will be bound by the provisions of your Note and Security Instrument and should become familiar with and understand these documents before signing them. If NIHFCU agrees to make you a loan, your obligations will be established by your Note and Security Instrument.

HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED

- Your interest rate will be based on an index plus a margin, rounded to the nearest 1/8 percent (0.125%). Please ask us for our current interest rate and margin.
- Your initial interest rate will be fixed for the first eighty four (84) months of your loan.
- Your initial interest rate will not be based on the index used to make later adjustments. If your initial interest rate is less that the sum of the margin plus the index in effect at the time your interest rate is determined, the loan is described as "discounted". Ask us for the amount by which our ARMs are currently discounted.
- The index rate for this program is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. Index values are published weekly in The Wall Street Journal. You may obtain Federal Reserve Statistical Release H.15 (519), which contains information about the index, by writing the Federal Reserve Bank of San Francisco, Reference Library, 101 Market Street, San Francisco, CA 94150. Or visit their web site at: www.federalreserve.gov/releases/h15/. If this index is no longer published or is otherwise unavailable at any change date, the Note Holder will choose a new index rate based on comparable information and will give you notice of this choice.
- The margin is a specified number of percentage points, which is added to the index rate to calculate your new interest at each change date.
- When your interest rate adjusts, it will equal the "current index", which is the most recent index figure available as of 45 days prior to the change date, plus the margin, rounded to the nearest 1/8 percent (0.125%), unless your interest rate "cap" or "floor" limit the amount of change in the interest rate.
- When your interest rate adjusts, your principal and interest payment will be based on the new interest rate, loan balance and remaining loan term. The new payment will be an amount sufficient to repay the loan balance at the new interest rate in substantially equal payments over the remaining loan term.

HOW YOUR INTEREST RATE CAN CHANGE

- Your first interest rate change will occur on your 84th month. (The first payment adjustment will occur on the 85th month). Thereafter, your interest rate can change every 12 months. Each date on which your interest rate can change is called a "Change Date."
- Your interest rate cannot increase or decrease more than two percentage points (2.000%) at each Change Date. This limitation is called your "Periodic Rate Cap."
- Your loan will have a "lifetime rate cap," which is the maximum loan interest rate expressed as a specified number of percentage points above your initial rate. The lifetime rate cap for this program is 5.000% above the initial interest rate. Please ask about our current initial interest rates, lifetime rate caps and margins for this program.

HOW YOUR PAYMENT CAN CHANGE

- Your first monthly payment change will be one month after the first interest rate change. Thereafter, your monthly payment can change every 12 months based on changes in the interest rate. The new payment will be an amount which would be sufficient to repay the loan balance and interest due on your loan in substantially equal payments each month over the remaining loan term.
- You will be notified in writing at least 30 days prior to the due date of a payment at a new level. This notice will contain information about your index, interest rate, payment amount and loan balance, and will include the name and telephone number of a person who will answer any question you may have regarding the notice.

EXAMPLE ONLY The example below illustrates the "worst case scenario", the maximum interest rate and payment amount, and the earliest loan year in which you might be required to make that maximum payment amount, of a $10,000.00, 30-year loan with an initial interest rate of 5.500%, which is equal to the index 0.37% (the weekly average for the first week ending in January 2009, plus a assumed margin of 2.750%, rounded to the nearest 0.125% and, if applicable, adjusted to the initial rate.

Index + Margin	Initial Rate	Lifetime Rate Cap	Maximum Rate	Initial Payment	Maximum Payment	Earliest Loan Year
3.000%	5.500%	5.000%	10.500%	$56.78	$91.47	Tenth Year

How to calculate the principal and interest payments for your loan amount:
To see what your monthly principal and interest payments would be, divide your mortgage amount by $10,000.00; then multiply the initial loan payment above by that amount. For example, In January, 2009, the principal and interest payment for a mortgage amount of $60,000 would be: $60,000/ $10,000 = 6;   6 x $56.78 = $340.68

LATE CHARGE

- If your payment arrives later than 15 days after it is due, you will be obligated to pay a late charge not to exceed 5.0% of the monthly principal and interest payment.

PREPAYMENT

- If you pay off the loan early, you will not have to pay a penalty.

ASSUMPTION

- Loan is not assumable.

THE UNDERSIGNED BORROWER(S) ACKNOWLEDGE(S) RECEIPT OF THIS DISCLOSURE AND THE BOOKLET ENTITLED *CONSUMER HANDBOOK ON ADJUSTABLE RATE MORTGAGES* AT THE TIME AN APPLICATION FOR THIS LOAN PROGRAM WAS PROVIDED.

Borrower	Date	Borrower	Date