



Thank you for choosing Citi's Exclusive Home Loan Program for your home financing needs.

Enclosed you will find our Mortgage Application Kit.

To proceed, please refer to the enclosed Mortgage Application Checklist which will indicate the items you will need to provide for us to process your application. Included in the Application Kit are five standard forms, which should be completely filled out, as well as specific requests for income, asset and property information.

Delays in processing are most commonly caused by incomplete applications. Please review the list carefully to ensure that all items are included. Also, please be sure to sign the application and all related forms, where indicated. Your application will not be considered until your Mortgage Specialist is in receipt of and accepts your application.

Please be advised, to give your loan full consideration, we may need to request additional information from you as we process your loan. If we do, we will contact you by telephone to explain what is needed.

Once again, thank you for choosing Citi. We look forward to working with you to deliver the best possible home financing experience.



THE FIRST STEP: COMPLETING YOUR APPLICATION

WE WILL: Review the loan application with you and assist you in completing it.

YOU SHOULD:

- Carefully fill out Mortgage Application and complete all of the applicable forms.
- Please use ink. If you make a mistake, cross out the incorrect information and initial the change.
- Be sure all applicants sign, date and complete each form.
- Use the Application Checklist to assist you in gathering the supporting documents you will need to submit with the application.

THE SECOND STEP: PROCESSING YOUR APPLICATION

WE WILL:

- Send you the appropriate state and federal regulatory disclosures.
- Review your application and all other supporting documents.
- Order an appraisal of the property.
- Order the Title Insurance, if you have requested us to do so.
- Call you to keep you informed of the status of your application.

YOU SHOULD:

- Respond promptly when the property appraiser contacts you, or your representative, to set up an appointment to view the property.
- Order the Title Insurance, if you elected to do so on your own.

THE THIRD STEP: LOAN DECISION

WE WILL:

- Review the appraisal, income, credit, employment, debt and asset information in order to make the decision on your loan application.
- Notify you in writing of your loan decision or our request for additional information.
- Send you a commitment letter if your loan is approved. This letter will indicate the type and amount of your loan, note rate (or method by which the note rate will be determined) and closing conditions.
- Call to review your commitment letter with you.

YOU SHOULD:

- Carefully review your commitment letter and your responsibilities to prepare for closing.
- Sign one copy of your commitment letter and return it to us.

THE FOURTH STEP: CLOSING

WE WILL:

- Call you to review your closing conditions, verify your closing agent, and set a closing date.

YOU SHOULD:

- Satisfy all closing conditions as outlined in your commitment letter.
- Contact your closing agent for closing costs and manner of payment.
- Close on your transaction.



MORTGAGE/HELOC APPLICATION

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower," as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the Borrower (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower	Co-Borrower
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MORTGAGE YOU ARE APPLYING FOR

Loan Amount: _____ or _____
 Maximum Amount for which I qualify Your Private Banker/Financial Advisor Is: _____

ABOUT THE PROPERTY AND PURPOSE OF LOAN

Purpose of Loan:
 Purchase Refinance Other (explain): _____

Property will be:
 Primary Residence Secondary Residence Investment Primary for family member:

Title will be held in what Name(s): _____	Manner in which Title will be held: _____
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Estate will be held in:
 Fee Simple Leasehold (show expiration date) _____

If you have not chosen a property but would like to receive a SureStart® (pre-approval) commitment, please complete:
The loan amount I am/we are requesting is _____ . The down payment amount represents _____ % of property value.

The property type I/we expect to purchase is: (e.g. single family dwelling, 2-4 family, condo, co-op) _____

City or market area where you will be shopping for a home: _____

The estimated monthly taxes and maintenance charges (if applicable) I/we expect to pay are: _____

If this is a Purchase Loan:

Purchase Price _____	Expected Date of Closing _____	Source of Down payment _____
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If this is a Refinance Loan:

Year Acquired _____	Original Cost _____	Cost of any Improvements _____	Amount of Existing Liens _____
Purpose of Refinance: <input type="checkbox"/> Home Improvement <input type="checkbox"/> Other (explain) _____			

If this is a Construction or Construction-Permanent:

Cost of Land _____	Year Purchased _____	Planned Cost of Construction _____	Amount Funded to Date _____
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Subject Property Address:

Street, City, State & Zip Code: _____ County: _____

Contact for appraisal: _____ Phone number: _____





MORTGAGE/HELOC APPLICATION

ABOUT YOU

The Borrower		The Co-Borrower	
Name:		Name:	
Your Present Address:		Your Present Address:	
Do You: <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. of Yrs		Do You: <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. of Yrs	
Phone Numbers Home: _____ Business: _____		Phone Numbers Home: _____ Business: _____	
Best Place to Call: <input type="checkbox"/> Home <input type="checkbox"/> Business <input type="checkbox"/> AM <input type="checkbox"/> PM		Best Place to Call: <input type="checkbox"/> Home <input type="checkbox"/> Business <input type="checkbox"/> AM <input type="checkbox"/> PM	
Social Security Number _____ Date of Birth (required) _____		Social Security Number _____ Date of Birth (required) _____	
Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Unmarried (single, widowed, or divorced) <input type="checkbox"/> Separated		Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Unmarried (single, widowed, or divorced) <input type="checkbox"/> Separated	
Citizenship Status: <input type="checkbox"/> US <input type="checkbox"/> Non-Resident Alien <input type="checkbox"/> Permanent Resident Alien <input type="checkbox"/> Non-Permanent Resident Alien		Citizenship Status: <input type="checkbox"/> US <input type="checkbox"/> Non-Resident Alien <input type="checkbox"/> Permanent Resident Alien <input type="checkbox"/> Non-Permanent Resident Alien	
# of Dependent(s): (Not Listed By Co-Borrower)		# of Dependent(s): (Not Listed By Co-Borrower)	
Ages of Dependent(s):		Ages of Dependent(s):	
E-mail Address:		E-mail Address:	
Mailing Address:		Mailing Address:	
If residing at present address less than 2 years, complete the following: Previous Address:		If residing at present address less than 2 years, complete the following: Previous Address:	

PUBLIC FIGURE INFORMATION

Please complete either Section A or Section B:

Section A

Please check all that apply:

Borrower	Co-Borrower	I am (or have been):
<input type="checkbox"/>	<input type="checkbox"/>	a politician (whether elected or not) or significant government official who occupies, has occupied, or is actively seeking or being considered for a senior public position in the government or political party of a country, state or significant municipality;
<input type="checkbox"/>	<input type="checkbox"/>	a government owned or controlled corporation, department or agency, or an executive thereof;
<input type="checkbox"/>	<input type="checkbox"/>	a military officer;
<input type="checkbox"/>	<input type="checkbox"/>	a close family member (e.g. spouse, parent, child, sibling, or in-law) of any of the above; or
<input type="checkbox"/>	<input type="checkbox"/>	a close associate of any of the above.

NOTE: "being considered for a senior public position" includes all individuals running for public office along with their senior campaign managers.

If you checked off any of the above, please complete the section below:

Note (B) if Borrower; (C) if Co-Borrower

Office/Position Held:

Date(s) Office/Position Held:

If office held is in a municipality,
Name of municipality:

Section B

Please check here if no item(s) in Section A apply to you:





MORTGAGE/HELOC APPLICATION

USA PATRIOT ACT NOTICE

To help the United States Government fight terrorism and money laundering, Federal law requires us to obtain, verify, and record information that identifies each person who opens an account. What this means for you: when you apply for a loan with Citi, we will ask for your name, residential street address, date of birth, and identification number, such as a social security number, taxpayer identification number, national identification number, or passport number. We may also ask to see and retain a copy of your driver's license, passport or other identifying documents that will help us identify you. For entities such as trusts, limited partnerships, etc., we will ask for your official name, principal place of business or local business street address, and taxpayer identification number or other registration number. For entities, we may also ask for a copy of your formation documents or other related documentation.

In the event that the identification cannot be verified with the information provided by you, we will request additional information. This information is required and must be verified before a loan commitment can be issued.

ABOUT YOUR EMPLOYMENT

The Borrower		The Co-Borrower	
NAME AND ADDRESS OF EMPLOYER		NAME AND ADDRESS OF EMPLOYER	
<input type="checkbox"/> Employed	<input type="checkbox"/> Self Employed _____ % ownership	<input type="checkbox"/> Employed	<input type="checkbox"/> Self Employed _____ % ownership
Position:		Position:	
Title:		Title:	
Type of Business:		Type of Business:	
Years on this job:	Years in this line of work:	Years on this job:	Years in this line of work:
If employed in current position for less than 2 years or if currently employed in more than one position, complete the following:			
NAME AND ADDRESS OF PRIOR/OTHER EMPLOYER		NAME AND ADDRESS OF PRIOR/OTHER EMPLOYER	
Business Phone Number:		Business Phone Number:	
<input type="checkbox"/> Employed	<input type="checkbox"/> Self Employed _____ % ownership	<input type="checkbox"/> Employed	<input type="checkbox"/> Self Employed _____ % ownership
Position:		Position:	
Title:		Title:	
Type of Business:		Type of Business:	
Years on this job:	Years in this line of work:	Years on this job:	Years in this line of work:
NAME AND ADDRESS OF PRIOR/OTHER EMPLOYER		NAME AND ADDRESS OF PRIOR/OTHER EMPLOYER	
Business Phone Number:		Business Phone Number:	
<input type="checkbox"/> Employed	<input type="checkbox"/> Self Employed _____ % ownership	<input type="checkbox"/> Employed	<input type="checkbox"/> Self Employed _____ % ownership
Position:		Position:	
Title:		Title:	
Type of Business:		Type of Business:	
Years on this job:	Years in this line of work:	Years on this job:	Years in this line of work:





MORTGAGE/HELOC APPLICATION

MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

GROSS MONTHLY INCOME	BORROWER	CO-BORROWER	TOTAL	COMBINED MONTHLY HOUSING EXPENSE	PRESENT	PROPOSED
Base Empl. Income*				Rent		
Overtime				First Mortgage (P&I)		
Bonuses				Other Financing (P&I)		
Commissions				Hazard Insurance		
Dividends/Interest				Real Estate Taxes		
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "Describe Other Income," below				Homeowner Assn. Dues		
TOTAL				TOTAL		

*Include only your monthly base pay exclusive of overtime, bonus and commissions.

Borrowers (B) Co-Borrower (C)	Describe Other Income Notice: Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.	Monthly Amount

PRODUCT AND RATE COMMITMENT OPTION SELECTION – READ RATE COMMITMENT OPTIONS BEFORE PROCEEDING

<p>PRODUCTS</p> <p>FIXED RATE MORTGAGE</p> <p><input type="checkbox"/> 15-Yrs <input type="checkbox"/> 30-Yrs <input type="checkbox"/> 40-Yrs</p> <p><input type="checkbox"/> 30-Year Fixed Rate 10-Year Interest Only</p> <p>LIBOR ADJUSTABLE RATE MORTGAGE</p> <p><input type="checkbox"/> 1-Month Interest Only</p> <p><input type="checkbox"/> 6-Month Interest Only</p> <p><input type="checkbox"/> 1-Year</p> <p>LIBOR FIXED/ADJUSTABLE RATE MORTGAGE</p> <p><input type="checkbox"/> 3/1 <input type="checkbox"/> 5/1</p> <p><input type="checkbox"/> 7/1 <input type="checkbox"/> 10/1</p> <p>HOME EQUITY LINE OF CREDIT (HELOC)</p> <p><input type="checkbox"/></p> <p>FEATURES</p> <p><input type="checkbox"/> Interest Only Option for 3/1, 5/1, 7/1 and 10/1 fixed/adjustable rate mortgages</p> <p><input type="checkbox"/> Dual Collateral</p> <p><input type="checkbox"/> ¹Preserved Asset Mortgage®</p> <p><input type="checkbox"/> No Closing Cost Feature (Only available for purchase, non-Citibank refinances and standard HELOC)</p> <p>¹Preserved Asset Mortgage ® is a registered service mark of Citigroup Global Markets Inc.</p>	<p>RATE COMMITMENT OPTIONS</p> <p><input type="checkbox"/> Option 1 90-Day Rate Lock (purchase transaction only)</p> <p><input type="checkbox"/> Option 4 90-Day Floating Rate with 1% Cap</p> <p><input type="checkbox"/> Option 6* Residence Under Construction 180-Day Floating Rate with 2% Cap</p> <p><input type="checkbox"/> Option 8 60-Day Hard Rate Lock</p> <p>* Not available for properties in New York State.</p>
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DECLARATIONS

If you answer "Yes" to any questions a through l, please use continuation sheet for explanation.

	Borrower		Co-Borrower	
	YES	NO	YES	NO
a. Are there any outstanding judgments against you?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Have you been declared bankrupt within the past 7 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Have you ever been convicted of a felony?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Are you a party to a lawsuit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Have you directly or indirectly been obligated on any mortgage which resulted in foreclosure, transfer of title in lieu of foreclosure or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, education loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond or loan guarantee? If "Yes," give details as described in question f.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Are you obligated to pay alimony, child support or separate maintenance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Is any part of the down payment borrowed? Amount:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Are you a co-maker or endorser on a note?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Do you intend to occupy the property as your primary residence? If "Yes" complete section l. below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Have you had an ownership interest in any other property in the last three years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1) What type of property did you own – principal residence (PR), second home (SH) or investment property (IP)?				
2) How did you hold title – solely (S), jointly with spouse (SP), jointly with another person (O) or Revocable Trust (RT)?				

ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described herein; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated herein; (6) any owner or servicer of the Loan may verify or reverify any information contained in the application from any source named in this application, and Lender, its successors and assigns may retain the original and/or an electronic record of this application, even if the Loan is not approved; (7) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event my payments on the Loan become delinquent, the owner or servicers of the Loan may, in addition to any their other rights and remedies that I may have relating to such delinquency, report my name and account information to one or more consumer credit reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate business purpose through any source, including a source named in this application or a consumer reporting agency.

Borrower's Signature ▶	Date	Co-Borrower's Signature ▶	Date
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MORTGAGE/HELOC APPLICATION

PERSONAL FINANCIAL STATEMENT
(YOU MAY SUBSTITUTE YOUR OWN PERSONAL FINANCIAL STATEMENT DATED WITHIN THE PAST 90 DAYS FOR THIS PAGE)

YOUR BALANCE SHEET

Table with 2 columns: ASSETS (\$000s) and LIABILITIES (\$000s). Rows include Cash, Securities, Accounts, Real Estate, Pension, and various debts. Total Assets and Total Liabilities are boxed.





MORTGAGE/HELOC APPLICATION

PERSONAL FINANCIAL STATEMENT

Schedules (Complete If Applicable)

Schedule A: Cash and Readily Marketable Securities *Bank accounts, money market funds, stocks registered and listed on national exchanges, treasuries, and bonds. For large holdings, attach most recent account statement(s) and enter totals only.*

Held at (Financial Institution)	Type of Account or Name of Security	Number of Shares/Bonds (000)	Current Market Value (\$000)	Estimated Cost Basis (\$000)	If Pledged, to Whom (Show Debt on Schedule C)

Schedule B: Real Estate Owned Directly and Mortgage Debt *Include personal residences and investment real estate*

Location	Property Type ¹	% Owned	Estimated Current Market Value of Entire Property (\$000)	Total Debt on Property (\$000)	Lender	Monthly Principal, Interest, Taxes & Insurance	Rental Income

1. P=Primary Residence, S=Secondary Residence, R=Investment Residential, C=Investment Commercial, T=Investment Retail, I=Investment Industrial, L=Investment Land

Schedule C: Notes Payable and Other Non-Mortgage Debt *Include loans, margin debt, taxes on assets sold due beyond one year and other liabilities*

Lender	Type of Facility ¹	Total Credit Available (Outstanding & Unused) (\$000)	Current Outstanding Amount (\$000)	Collateral (if none, state "none")	Maturity Date

1. D=Demand Facility, R=Revolving Credit, T=Term Loan, M=Margin Credit, X=Taxes Due, O=Other





RATE COMMITMENT OPTIONS DISCLOSURE

PART I

This form explains the terms of the rate option you have selected. A description of each available rate option is included. This form is part of your application. In this form, “we,” “our” and “us” mean the Lender.

CURRENT LENDER PRICING

Our current pricing based on the loan features you have selected is shown below. Your final rate will be established based on the rate option you have selected. The terms of your rate option are described below:

Loan Amount	\$ _____	Margin	_____ %
Rate	_____ %	Index	_____ %
Rate Commitment Expiration Date	_____	Convertibility	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Origination Fee	\$ _____	Conversion Margin	N/A
Discount Fee	_____ %	Interest Rate Adjustment Cap	_____ %
Total Points	_____ %	Life Rate Cap	_____ %
Loan Term	_____ Yrs.		

Exceptions: If you have applied for a loan that is an exception to our standard underwriting guidelines, we reserve the right to offer you a loan at a higher rate, points, margin and life cap (for ARMs) than the terms you have chosen. We will refund any origination fee (plus any other fees required by law) you have paid if you do not accept our offer. Your rate option, points, and other loan terms will be disclosed in your commitment letter if we approve your application. If you have selected a Floating Rate Option or an Option with Flowdown your final rate, points and margin may change.

FEES PAID TO LENDER AT APPLICATION

You have paid the following fees at application. **Additional amounts may be required to cover actual costs in excess of fees paid. These fees are not refundable unless required by law.**

Lender Application Fee	\$ _____	Lender Origination Fee	\$ _____
Lender Reprocessing Fee	\$ _____	(Option 1, 6, and 8: The amount shown above as Lender Origination Fee equals _____ % of your requested loan amount and is paid at application; the remainder, if any, of the origination fee is paid at closing.)	
Other Lender Fee	\$ _____		
Description	_____		

PLEASE NOTE: You may be required to pay title policy cancellation fee to the title underwriter in the event your loan does not close with us (except in those states where prohibited by law). If you request a change in your loan terms, you may be required to pay a Reprocessing Fee. This fee is not refundable except as required by law, or if your request is denied.

Any terms not specified above are subject to change until closing. We estimate that we will process and approve or decline your completed loan application within 30 days after we receive it. **This is not a commitment to make a loan.** If you have any questions, comments or complaints during the processing of you application, please call your Mortgage Specialist.

PLEASE NOTE: Only an employee of the Lender is authorized to act on behalf of us in completing the current pricing information. If this information is completed by a mortgage professional or other third party, the terms of this disclosure will not bind us until it is signed by an employee of the Lender. If you submit an application, select a rate lock option, then withdraw the application and reapply within 30 days after withdrawal, your rate (if your reapplication is approved) will be the higher if the rate we offer for the option you selected on the date of the reapplication or the rate locked in as of the date the previous application was withdrawn.





INFORMATION ABOUT FEES

APPLICATION FEE: The Application Fee is payable to the Lender and is deemed earned by the lender at the time of application. Additional amounts may be required to pay actual costs.

APPRAISAL FEES: If a separate **Appraisal Fee** is collected, the amount collected is the estimated cost of the appraisal(s). You may be required to pay an additional amount or you may receive a partial refund, depending upon the actual final cost of the appraisal(s). In some cases, more than one appraisal may be required at the Lender's discretion.

TOTAL POINTS: Total Points shown above includes any applicable Origination Fee and Discount Fee. If you have selected a Floating Rate Option, the percentage shown above as Total Points is the maximum percentage you will be required to pay. Total Points also reflects any premium due to the rate commitment option, type, amount or term of your loan.

ORIGINATION FEE: For some of our rate commitment options we require prepayment of part of the Origination Fee. But, if your loan is approved and closes within the commitment time frame and uses the rate commitment option you originally selected, the prepaid Origination Fee will be credited at closing to the Total Points due on your loan. If the prepaid Origination Fee is greater than the Total Points for you loan (for example, if you have chosen a zero point option), we will apply the excess toward total closing costs. Please be aware, though, that for some Floating Rate options, if you exercise your right to convert to a Rate Lock option you will forfeit your prepaid Origination Fee. If you qualify for and accept a different loan amount than requested, your Origination Fee will be reduced or increased by a proportionate amount, and the difference will be credited to, or collected from, you at closing. If the fee is not received with the application package, your commitment will expire, and your application may be considered withdrawn.

REFUNDS: Unless otherwise required by law, fees will be refunded only under the following circumstances:

- **Application Fee:** This fee is deemed earned by Lender at the time of application and is not refundable.
- **Appraisal Fee:** This fee is non-refundable once we have incurred third party vendor costs for this service. If you have paid a separate appraisal fee and paid more than the cost of this service, we will refund the excess.
- **Prepaid Origination Fee:** This fee will be refunded only if you do not qualify for this loan. This fee will not be refunded if you withdraw your loan request, cancel your loan request, fail to provide information or documentation requested by the Lender within the required time frames, or do not close within the required commitment periods.
- **Other Fees:** These Fees are not refundable.

Prior to making a refund, we will reduce the amount of the refund by any amounts which you owe us.

LOAN AMOUNT CHANGES: If you change your loan amount after you have paid any fees, these will be adjusted accordingly and any differences will be credited to or debited from closing costs at loan closing.

If your application is declined, we will send an adverse action notice including specific reasons to the primary applicant (ordinarily, the first applicant named in our files). We may also disclose specific reasons for adverse action to other co-borrowers and authorized individuals who may inquire about the denial. I (W)e have read the above and am (are) in agreement.

_____	_____	_____	_____
Name	Date	Name	Date
_____	_____	_____	_____
Name	Date		
_____	_____		
By Lender	Date		

“RATE LOCK DATE”: If you initially select a Rate Lock Option, the Rate Lock Date is the same as your Application Date. If you initially select a Floating Rate Option and later convert to a Rate Lock Option, the date we receive your notice of conversion, a new Rate Commitment Options form and any required fees is the Rate Lock Date

“NOTE RATE”: This is the rate we offer, including any applicable Note Rate premiums, for loans similar to yours. The Note Rate is determined by a number of factors including the rate commitment option, type, amount and term of your loan. Rates may change at any time during the day. The Note Rate on the Application Date or Rate Lock Date is the rate in effect at the time of application or rate lock. The Note Rate on the Rate Establishment Date is the rate in effect on that date at the close of business. On the Application or Rate Lock Date, the Note Rate will be the rate requiring the percentage of Total Points closest to, but not greater than, the chosen percentage. If your rate is based upon the Note Rate on the Rate Establishment Date, you will pay only the Total Points corresponding to that Note Rate.





CHOOSING YOUR RATE COMMITMENT OPTIONS

Each Rate Commitment Option we offer is separately priced and some require prepayment of a portion of the origination fee. The portion of the origination fee that must be prepaid may vary. Ask your Mortgage Specialist for the Note Rate, Total Points, and the amount of the origination fee that must be prepaid for each of the Rate Commitment Options you are considering. The rate on Floating Rate Options may increase or decrease before closing while the rate on Rate Lock Options will not increase before closing. A Floating Rate Option generally has a lower Note Rate or Total Points than a comparable Rate Lock Option. Rate Commitment Options with shorter terms generally have lower Note Rates or Total Points than comparable Rate Commitment Options with longer terms. In choosing a Rate Commitment Option, you should consider how much time you will need to close your loan and whether you prefer a Floating Rate Option or Rate Lock Option.

PROCESSING YOUR APPLICATION: Our receipt of your application, the Rate Commitment Options form and/or payment of any fee(s) is not a commitment to make a loan. We estimate that we will process and approve or decline your completed loan application within 30 days after we receive it.

UPDATED DOCUMENTATION: Converting from a Floating Rate to a Rate Lock Option or extending your rate commitment option could cause closing to extend beyond 120 days from application (or beyond 180 days from application for a residence under construction). If this happens, we may require updated documentation and the loan might have to be re-underwritten. Significant changes may affect the terms and conditions of any commitment issued by us to make the loan.

DEFINITIONS

“APPLICATION DATE”: This is the date we receive your application and all applicable fees. The application is not completed until all required fee(s) have been paid.

“BUSINESS DAYS”: Monday through Friday, excluding Federal holidays.

“RATE ESTABLISHMENT DATE”: This is the date you, your representative, or your closing agent notify us to schedule the closing, except as noted below. The rate will be in effect for 5 business days after the Rate Establishment Date. If you notify us of your closing date and then reschedule, the rate will be reset on the day you notify us of your new closing date. We reserve the right to require at least 5 business days notice of your closing date. If you notify us of your closing date 5 or less business days before closing and we agree to close the loan, the final rate will be the rate in effect on the day you notify us of the closing date. (Exception: If you notify us of your closing date more than 5 business days before closing, the Rate Establishment Date will be 5 business days before closing.)

“REGISTRATION”: This is the date we establish your selection of a product and rate option. Further details about Registration are available from the Lender.





DESCRIPTION OF RATE COMMITMENT OPTIONS

90 DAY FLOATING RATE

If your application is approved, we will issue you a commitment letter with a term of 90 days from the date of application or Registration, if applicable. You have the option of locking your rate at any time during the process. If you chose not to lock, we will establish your rate at closing, as the rate in effect 5 business days prior to your scheduled closing date. That rate will be in effect for 30 calendar days.

60 DAY RATE LOCK

If your application is approved, we will issue a commitment letter with a term of 60 days from the date of application or Registration, if applicable. Your rate will be the rate in effect on the day you requested us to lock the rate.

90 DAY RATE LOCK

If your application is approved, we will issue you a commitment letter with a term of 90 days from the date of application or Registration, if applicable. Your rate will be the rate in effect on the day you requested us to lock the rate. This option applies only to purchase money loans (not refinances).

RESIDENCE UNDER CONSTRUCTION - 180 DAY OPTION

This option applies only to purchase money loans (not refinances). If your application is approved, we will issue a commitment letter with a term of 180 days from the date of application or Registration, if applicable. The rate and structure will be determined at time of application.

The "90 DAY FLOATING RATE" and "RESIDENCE UNDER CONSTRUCTION" Options may be extended once for a period of 30 days at the Lender's option. Except as otherwise required by law, the Lender may require you to pay an additional Origination Fee before the extension. This fee is in addition to any fee paid at application and is non-refundable (even if you withdraw your application) except if we decline your request for financing or as required by law. For Adjustable Rate Loans Only: If your rate differs from that stated on page 1 of this Rate Commitment Option Form, the index and life rate cap on your loan will also change.





BORROWERS CERTIFICATION & AUTHORIZATION

THE UNDERSIGNED CERTIFY THE FOLLOWING

1. I have applied for a mortgage loan from CitiMortgage, Inc., Citibank, N.A., and/or any of their affiliates (the "Lender"). In applying for the loan, I have completed a loan application containing various information on the purpose of the loan, the amount and source of the downpayment, employment and income information, and assets and liabilities. I certify that all of the information is true and complete. I made no misrepresentation in the loan application or other documents, nor did I omit any pertinent information.
2. I understand and agree that the Lender reserves the right to verify the information provided on the application with the employer and/or the financial institutions.
3. I fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statement when applying for this mortgage, as applicable under the provisions of Title 18, United States Code, Section 1014.
4. I specifically acknowledge and agree that the Lender, its agents, successors and assigns, may report my name, account information, and other information regarding their credit experiences with me to other proper persons, such as credit reporting agencies and other lenders.
5. The Lender will normally obtain credit reports for all loan applications, and for updates, renewals, or extensions of any credit granted. Upon request, the Lender will inform me if a report has been obtained and will give me the name and address of the agency furnishing the report. I specifically authorize the Lender, its agents, successors and assigns and investors to whom the Lender may offer the mortgage to obtain and share said credit reports.

AUTHORIZATION TO RELEASE INFORMATION

To Whom It May Concern:

1. I have applied for a mortgage loan from the Lender. As part of the application process, the Lender, its authorized agent and the Mortgage Guaranty Insurer, (if any), may verify information contained in my/our loan application and in other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
2. I authorize you to provide to the Lender, its authorized agent, to any investor to whom the Lender may sell my mortgage, and to the Mortgage Guaranty Insurer, (if any), any and all information and documentation that they request. Such information includes, but is not limited to, employment history and income; bank, money market, and similar account balances; credit history; and copies of income tax returns.
3. The Lender, its authorized agent, any investor that purchases the mortgage or the Mortgage Guaranty Insurer, (if any), may address this authorization to any party named in the loan application.
4. A copy of this authorization may be accepted as an original.
5. Your prompt reply to the Lender, its authorized agent, the investor that may purchase or has purchased the mortgage, or Mortgage Guaranty Insurer, (if any), is appreciated.

_____	_____	_____
(Borrower's Signature)	(Date)	(Social Security Number)
_____	_____	_____
(Borrower's Signature)	(Date)	(Social Security Number)
_____	_____	_____
(Borrower's Signature)	(Date)	(Social Security Number)
_____	_____	_____
(Borrower's Signature)	(Date)	(Social Security Number)





THANK YOU FOR APPLYING FOR A MORTGAGE LOAN

This disclosure will provide you with information about the servicing of mortgage loans. We want you to know that our current business practice is to retain all servicing within the Citicorp family. CitiMortgage, Inc. (CitiMortgage) is the servicing affiliate for Citibank, N.A. as well as the servicer of its own new or refinanced mortgage loans. In the past we have assigned, sold or transferred the servicing of mortgage loans we originated to other services. For all the loans that we make in the 12-month period after your loan is funded, we estimate that the chances we will transfer the servicing of those loans to a servicer other than CitiMortgage, or any one of its affiliates, are between 0 to 25%. This is our best estimate and is not binding, as business conditions or other circumstances may affect our future transferring decisions.

TRANSFER PRACTICES AND REQUIREMENTS

We are providing this disclosure to you because Real Estate Settlement Procedures Act (RESPA) gives you certain rights relating to the servicing of your new or refinanced mortgage loan. "Servicing" refers to collecting your principal, interest and escrow account payments. If, for some reason, your loan servicer changes, there are certain procedures which must be followed. This statement generally explains those procedures.

Since CitiMortgage is the servicing affiliate for your originator, (Citibank or CitiMortgage), you will be notified at settlement that CitiMortgage will be the servicer of your mortgage loan. If for any reason we were to assign, sell or transfer the servicing of your loan to another servicer, we will notify you in writing at least 15 days before the date of the transfer. This written notice will contain the effective date of the transfer of the servicing, and the name, address, and toll-free or collect call telephone numbers of a person or department for both your present servicer and your new servicer to answer your questions about the transfer of servicing. The new loan servicer is also required to send you written notice of the transfer within 15 days after the date of the transfer. In the case of a new or refinanced mortgage loan, a notice of prospective transfer may be provided to you at loan settlement to satisfy these notice requirements. During the 60-day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed on you.

There are exceptional situations in which the law allows a delay in notification to be submitted not more than 30 days after the transfer. These limited circumstances will apply if the servicer of your loan is fired for cause, is in bankruptcy proceedings, or is involved in a conservatorship or receivership initiated by a Federal Agency. If any of these exceptions occur, you will be notified according to the conditions outlined by RESPA.

IF YOU NEED HELP WITH SERVICING ISSUES

There may be a time when you have an issue with your servicing. If you do so, you just send a "qualified written request" to your loan servicer. A "qualified written request" is a letter, other than your notation on a payment coupon or other payment medium supplied by the servicer, which includes your name and account number, and your reason for the request. Your servicer must provide you with a written acknowledgement within 20 business days of receipt of your request. Not later than 60 business days after receiving your request, your servicer must provide you with a written clarification regarding any dispute, and, if appropriate, make corrections to your account. During this 60-day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request.

ACKNOWLEDGEMENT OF MORTGAGE LOAN APPLICANT

I/We have read this disclosure form, and understand its contents, as evidence by my/our signatures(s) below. I/We understand that this acknowledgement is a required part of the mortgage loan application.

Applicant's Signature

Applicant's Signature

Applicant's Signature

Applicant's Signature

Date

Date



IMPORTANT INFORMATION ABOUT OUR HOME EQUITY LINE OF CREDIT (HELOC)



This Disclosure contains important information about our home equity line of credit (HELOC). You should read it carefully and keep a copy for your records. Except when the context demands otherwise, "you," "your" and "yours" mean any person signing the agreement for the account as a borrower. "We," "us," "our" and "ours" mean Citi. This Disclosure is not an agreement by us to make a loan or open an account for you.

AVAILABILITY OF TERMS

All of the terms disclosed are subject to change before you open an account. If a disclosed term does change (other than a change due to fluctuations in the index) before you open an account and as a result you elect not to open the account, you will receive a refund of all fees paid to us or anyone else in connection with your application.

SECURITY INTEREST

We will acquire a security interest in your home (the "Property"). You could lose your home if you default under your HELOC agreement with us.

POSSIBLE ACTIONS

Under certain conditions, we may (1) terminate your account and require payment of the outstanding balance in full in a single payment; (2) prohibit additional extensions of credit or reduce the credit limit; and (3) as specified in the HELOC agreement, implement certain changes in the account. The conditions under which such actions may occur are described below.

(1) Repayment in Full

We may close your account and require payment of the outstanding balance in full in a single payment if:

- A. You fail to meet the repayment terms of the HELOC agreement for any outstanding balance.
- B. There has been fraud or a material misrepresentation by you in connection with the account.
- C. You take any action or fail to take any action that adversely affects the Property or our security interest in the Property, including but not limited to:
 1. a transfer of title to the Property or sale of the Property without our written permission
 2. a failure to maintain any required insurance on the Property
 3. failure to pay taxes on the Property
 4. you permit the filing of a lien senior to that held by us
 5. the sole borrower obligated on the account dies
 6. the Property is taken through eminent domain
 7. a prior lienholder forecloses
 8. you commit waste or otherwise destructively use or fail to maintain the Property in a way that adversely affects the Property

9. there is illegal use of the Property which could subject the Property to seizure
 10. one of two co-borrowers dies and our security is thereby adversely affected, or
 11. you move out of the Property and our security interest is thereby adversely affected.
- D. You are or become an "executive officer" of Citi as defined in Federal Reserve Board Regulation O and we determine to require payment in full to comply with this Federal regulation.

(2) Suspension of Account and Reduction of Credit

We may prohibit additional extensions of credit or reduce your credit limit during any period in which:

- A. You or any person on the account requests a suspension of the account or a reduction of the credit limit.
- B. The maximum ANNUAL PERCENTAGE RATE is reached.
- C. The value of the Property declines significantly below the Property's appraised value for purposes of the account.
For example, if the value of the Property declines such that the initial difference between the credit limit and the available equity (based on the Property's appraised value) is reduced by 50%, such an event would constitute a significant decline in the value of the Property.
- D. We reasonably believe that you will be unable to fulfill the repayment obligations under the HELOC agreement because of a material change in your financial circumstances.
- E. You are in default of any material obligation under the HELOC agreement or mortgage.
- F. We are precluded by government action from imposing the ANNUAL PERCENTAGE RATE provided for in the HELOC agreement.
- G. The priority of our security interest is adversely affected by government action to the extent that the value of the security interest is less than 120% of the credit limit.
- H. We are notified by our regulatory agency that continued loan advances constitute an unsafe and unsound practice. Requests to reopen an account or restore a credit limit must be made to us in writing and you must pay any bona fide and reasonable appraisal and credit report fees incurred by us to investigate whether the above circumstances continue to exist. If we suspended your account or reduced your credit limit as a result of your request, the request for reinstatement must be signed by everyone obligated on the account. You may also not attempt to obtain any additional credit extensions once you know that your credit privileges have been terminated or suspended. As required by law, a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations under the HELOC agreement.

(3) Changes to Your Account

As specified in the HELOC agreement, we may change the index and margin used under the agreement if the original index is no longer available, the new index has a historical movement substantially similar to that of the original index, and the new index and margin would have resulted in an ANNUAL PERCENTAGE RATE substantially similar to the rate in effect at the time the original index became unavailable. We may make a specified change to the account if you



specifically agree to the change in writing at that time. We may make changes to the account that will unequivocally benefit you throughout the remainder of the account. We may make insignificant changes in the terms of the account, including but not limited to: changing the address to which payments are sent; minor changes to features such as the billing cycle date, the payment due date and the day of the month on which index values are measured; changes in rounding practices within the tolerance rules allowed by applicable regulation; and changes to balance computation methods if the change produces an insignificant difference in the FINANCE CHARGE you pay.

PAYMENT TERMS

The draw period during which loan advances may be made is 10 years and 25 days from the date of the HELOC agreement. The repayment period during which loan advances may not be made is the 20 years immediately following the draw period. Minimum periodic payments are due monthly. During the draw period, the minimum monthly payment will equal the sum of any past-due and over-credit-limit amounts plus accrued and unpaid FINANCE CHARGES and any other unpaid fees or charges imposed pursuant to the HELOC agreement. Paying the minimum monthly payment during the draw period will not reduce the principal balance of loan advances which you owe us, except to the extent over-credit-limit amounts are paid. During the repayment period, the minimum monthly payment will equal the FINANCE CHARGES that have accrued on the outstanding balance for the billing period, plus principal equal to the greater of \$50 or 1/240th of the principal balance as of the end of the draw period, plus the sum of the following amounts when applicable: past due amounts on your account; amount owing in excess of your credit limit; late charges; and miscellaneous fees.

THIRD-PARTY FEES

You must carry hazard (and flood, if required) insurance on the Property which secures your HELOC account. You may have to pay a fee to release a prior lien on the Property. You may receive, upon request, a good-faith itemization of such fees.

For credit limit amounts equal to or less than \$1,000,000, we will pay certain fees to third parties such as appraisers, attorneys, government agencies, title companies, surveyors, overnight mail services and flood search services to open an account.

For credit limit amounts greater than \$1,000,000, you will be required to pay certain fees to third parties such as appraisers, attorneys, government agencies, title companies, surveyors, overnight mail services and flood search services, or pay a No Closing Cost premium on the rate, to open an account. Shown below is the estimate total amount of the fees payable to third parties for your Property location and credit limit.

ESTIMATED THIRD PARTY FEES

	\$10,000 – \$99,999	\$100,000 – \$499,999	\$500,000 – \$1,000,000
New York	\$1,995 – \$3,525	\$3,540 – \$10,480	\$10,800 – \$19,600
New York Co-op	\$1,675	\$1,675	\$1,675
All Other States	\$1,410 – \$2,425	\$2,425 – \$6,625	\$6,625 – \$11,875

Different terms apply for HELOCs that are: (1) greater than \$1,000,000; (2) used for bridge financing; (3) to purchase real estate; or (4) if you choose to pay closing costs. Ask us about the terms of these products. If you ask, we will give you an itemization of the fees we will have to pay to third parties within a reasonable time after your request.

If you choose to retain the services of a mortgage broker, the amount of any mortgage broker fee will be determined by your agreement with your broker. We do not require that you retain a broker, and the mortgage broker fee is not imposed by us. Such fees are not included in the above estimate of third-party costs.

FEES TO OPEN, USE OR MAINTAIN THE ACCOUNT

To open, use and maintain an account, you must pay us the following fees:

- There is no annual fee associated with your Account.
- You will be charged a late charge if we do not receive the full amount of any monthly payment due under your HELOC agreement within 18 calendar days of the due date.
- If you exceed your credit limit, we will charge you a \$29 over-limit fee. This charge will not be imposed on more than four transactions a day, or no more than once a billing cycle if the property is located in New York State.
- If your payment is returned unpaid for any reason, we will charge you a return-item fee of \$25.
- If you request Citi to stop payment on one of your home equity line of credit checks, Citi will charge you an \$8 stop payment charge per request.
- You agree to pay any reasonable cost incurred by the Bank in connection with the enforcement of its rights and remedies under the HELOC agreement, including, but not limited to, any reasonable attorneys' fees and other collection costs.

EARLY CLOSURE RELEASE FEE

If we pay the closing costs to open your account and, within 36 months of the date of the agreement, you request that your account be closed or take any other action which will result in a release of our security interest in the Property, you will pay an early closure release fee which will consist of all costs we incurred to open your account. These costs are estimated above under Third-Party Fees. If your property is located in New York State, you will not be required to repay any closing fees, attorneys' fees or document preparation fees advanced to open your account.

TRANSACTION REQUIREMENTS

You may draw loan advances during the draw period up to your credit limit if your account has not been closed or suspended or your credit limit reduced to where further loan advances would not be permitted.

TAX DEDUCTIBILITY

You should consult a tax advisor regarding the deductibility of interest and other charges under the HELOC agreement.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account.

What this means for you: When you open an account, the lender will ask for your name, address, date of birth and other information that will allow them to identify you. The lender may also ask to see your driver's license or other identifying documents.



VARIABLE RATE DISCLOSURES

- The ANNUAL PERCENTAGE RATE and payment may change due to the variable rate feature.
- The ANNUAL PERCENTAGE RATE does not include costs other than interest.
- The ANNUAL PERCENTAGE RATE is based on the value of an index. The index is the prime rate as published each business day, in the "Money Rates" section of *The Wall Street Journal*. *The Wall Street Journal* is available at many newsstands and public libraries, or you may obtain copies by writing to *The Wall Street Journal*, 200 Burnett Road, Chicopee, Massachusetts 01020. If a range of prime rates is published, we will use the highest prime rate. A prime rate is not necessarily the lowest or best rate available.
- To determine the ANNUAL PERCENTAGE RATE that will apply to your account, we will add a margin to the value of the index. Your margin may be a negative number. With a negative number, we subtract the margin from the index to get the ANNUAL PERCENTAGE RATE.
- You should ask us for current index value, margin, any discounts or premiums, and ANNUAL PERCENTAGE RATE. After you open an account, rate information will be provided on or with periodic statements that we will send to you.
- The initial ANNUAL PERCENTAGE RATE may be based on an initial margin and not the regular margin used to make later adjustments. Any initial margin which is different from the regular margin will be in effect up to 12 months.
- The ANNUAL PERCENTAGE RATE may change daily.
- There are no annual or other periodic limitations on changes in the ANNUAL PERCENTAGE RATE. However, the maximum ANNUAL PERCENTAGE RATE will be applied to your account is 18%, regardless of how high the index goes.

MINIMUM PAYMENT EXAMPLE

If at the beginning of the draw period you had an outstanding balance of \$10,000 and the ANNUAL PERCENTAGE RATE was 7.25% (the 2006 rate shown in the ANNUAL PERCENTAGE RATE column in the tables below), it would take 320 months to pay off the loan if you made only the minimum monthly payments. During the draw period, you would make 120 interest-only payments of \$60.42. At the end of the draw period, you would owe \$10,000. During the repayment period, you would make 200 payments varying between \$100.42 and \$53.62. This example assumes that the 2006 ANNUAL PERCENTAGE RATE OF 7.25% remains constant throughout the ten-year draw period and the twenty-year repayment period.

MAXIMUM PAYMENT EXAMPLE

If at the beginning of the draw period you had an outstanding balance of \$10,000 without any other fees or charges, your minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be \$150.00. This annual percentage rate could be reached during the first month of the draw period. If you had an outstanding balance of \$10,000 at the beginning of the repayment period without any other fees or charges, the minimum monthly payment at the maximum ANNUAL PERCENTAGE RATE of 18% would be \$200.00. This ANNUAL PERCENTAGE RATE could be reached during the first month of the repayment period.

HISTORICAL EXAMPLE

The following tables show how the ANNUAL PERCENTAGE RATE of a \$10,000 loan advance would have varied based on changes in the index over the past 15 years. The margin is a margin we have used recently. Your margin may be different. While only one payment amount per year is shown, payments would have varied during each year. The payment amounts do not include any voluntary life insurance premiums.

The tables assume that no additional loan advances were taken, that only the minimum payment was made each month, and that the rate remained constant during each year. They do not necessarily indicate how the index or your payments will change in the future. The tables depict both the draw period and a portion of the repayment period.

Historical Rate Table—Prime Rate Standard Pricing

	Year	Index	Margin	Annual Percentage Rate	Current Year	Total Payment	Monthly Principal	Interest	Remaining Balance
Draw Period	1992	6.50%	0.00%	6.50%	1	\$54.17	\$0.00	\$54.17	\$10,000.00
	1993	6.00%	0.00%	6.00%	2	\$50.00	\$0.00	\$50.00	\$10,000.00
	1994	6.00%	0.00%	6.00%	3	\$50.00	\$0.00	\$50.00	\$10,000.00
	1995	8.50%	0.00%	8.50%	4	\$70.83	\$0.00	\$70.83	\$10,000.00
	1996	8.50%	0.00%	8.50%	5	\$70.83	\$0.00	\$70.83	\$10,000.00
	1997	8.25%	0.00%	8.25%	6	\$68.75	\$0.00	\$68.75	\$10,000.00
	1998	8.50%	0.00%	8.50%	7	\$70.83	\$0.00	\$70.83	\$10,000.00
	1999	7.75%	0.00%	7.75%	8	\$64.58	\$0.00	\$64.58	\$10,000.00
	2000	8.50%	0.00%	8.50%	9	\$70.83	\$0.00	\$70.83	\$10,000.00
	2001	9.00%	0.00%	9.00%	10	\$75.00	\$0.00	\$75.00	\$10,000.00
Repayment Period	2002	4.75%	0.00%	4.75%	11	\$89.58	\$50.00	\$39.58	\$ 9,400.00
	2003	4.25%	0.00%	4.25%	12	\$83.29	\$50.00	\$33.29	\$ 8,800.00
	2004	4.00%	0.00%	4.00%	13	\$79.33	\$50.00	\$29.33	\$ 8,200.00
	2005	5.25%	0.00%	5.25%	14	\$85.88	\$50.00	\$35.88	\$ 7,600.00
	2006	7.25%	0.00%	7.25%	15	\$95.92	\$50.00	\$45.92	\$ 7,000.00

Tables assume an 80% loan-to-value line. For purposes of these charts, we assume a draw against that line of \$10,000.

Historical Rate Table—Promotional Introductory Rate

	Year	Index	Margin	Annual Percentage Rate	Current Year	Total Payment	Monthly Principal	Interest	Remaining Balance
Draw Period	1992	6.50%	0.00%	6.00%	1*	\$50.00	\$0.00	\$50.00	\$10,000.00
	1993	6.00%	0.00%	6.00%	2	\$50.00	\$0.00	\$50.00	\$10,000.00
	1994	6.00%	0.00%	6.00%	3	\$50.00	\$0.00	\$50.00	\$10,000.00
	1995	8.50%	0.00%	8.50%	4	\$70.83	\$0.00	\$70.83	\$10,000.00
	1996	8.50%	0.00%	8.50%	5	\$70.83	\$0.00	\$70.83	\$10,000.00
	1997	8.25%	0.00%	8.25%	6	\$68.75	\$0.00	\$68.75	\$10,000.00
	1998	8.50%	0.00%	8.50%	7	\$70.83	\$0.00	\$70.83	\$10,000.00
	1999	7.75%	0.00%	7.75%	8	\$64.58	\$0.00	\$64.58	\$10,000.00
	2000	8.50%	0.00%	8.50%	9	\$70.83	\$0.00	\$70.83	\$10,000.00
	2001	9.00%	0.00%	9.00%	10	\$75.00	\$0.00	\$75.00	\$10,000.00
Repayment Period	2002	4.75%	0.00%	4.75%	11	\$89.58	\$50.00	\$39.58	\$ 9,400.00
	2003	4.25%	0.00%	4.25%	12	\$83.29	\$50.00	\$33.29	\$ 8,800.00
	2004	4.00%	0.00%	4.00%	13	\$79.33	\$50.00	\$29.33	\$ 8,200.00
	2005	5.25%	0.00%	5.25%	14	\$85.88	\$50.00	\$35.88	\$ 7,600.00
	2006	7.25%	0.00%	7.25%	15	\$95.92	\$50.00	\$45.92	\$ 7,000.00

Tables assume an 80% loan-to-value line. For purposes of these charts, we assume a draw against that line of \$10,000.

* This rate reflects a 0.50% initial-year discount that we have used recently. The discount results in a lower ANNUAL PERCENTAGE RATE and lower minimum monthly payments for the 12-month period it is in effect. After the twelve month introductory period, the 1992 monthly payment would become \$54.17.



NOTICE OF RIGHT TO COPY OF APPRAISAL REPORT

You have the right to receive a copy of an appraisal report if one was obtained in connection with your application for credit, provided that, if required, you have paid for or are willing to pay for the appraisal. Your request must be in writing and should be sent to Citi's Exclusive Home Loan Program, One Court Square, 20th Floor, Long Island City, NY 11120, Attention: Originations. We must receive your request no later than 90 days after either we provided you with written notice of the action taken on your application or your application is withdrawn.

BANK PAID CLOSING COSTS

The Bank **WILL PAY** costs for a "No Closing Cost" product such as:

- Application Fee—refunded at closing (not refunded if loan does not close unless required by law)
- Lender's Title Insurance and any necessary endorsements (except for first mortgage portion of a Tandem Home Equity Line of Credit)
- Commitment Fee
- Appraisal(s) (fee for 2nd appraisal, if required, is collected up front but refunded at closing)
- Closing Agent/Escrow Agent Fee
- Attorney Fee for Bank's Attorney
- City/County/State Tax Stamps
- Recording and Filing Fees (including fees for recording satisfactions on all loans being paid off with proceeds)
- Document Preparation Fees
- Express Mail/UPS/FedEx Fees (actual fees only)
- Final Inspection Fee
- Recertification of Value Fee
- Bank Approved Lender Mortgage Broker Fee

The Bank **WILL NOT PAY** costs such as the following for a "No Closing Cost" product. These fees are the responsibility of the applicant(s).

- Owner's Title Insurance
- Lender's Title Insurance on the first-mortgage portion of a Tandem Home Equity Line of Credit
- Borrower's Mortgage Broker Fee
- Realtor Sales Commission
- Attorney Fee for Client's Attorney
- Survey or any survey reading fee
- Real Estate /School Taxes Paid at Closing or Escrowed at Closing
- Interim Days (Odd Days) Interest (interest between day of funding and first payment)

- Hazard/Property Insurance Premiums Paid at Closing or Escrowed at Closing
- Flood Insurance Premiums Paid at Closing or Escrowed at Closing
- Mortgage Insurance Premiums Paid at Closing or Escrowed at Closing (PMI)
- Inspection Fees Incurred by Applicant (e.g., Building Inspection, Termite Inspection)
- Origination Fees (points paid in exchange for a reduced rate)
- Custom Rate Lock Fees
- Rate Lock Extension Fees
- New York Mansion Tax, New York Peconic Tax, New Jersey Mansion Tax, Flip Tax on Co-ops, Transfer Taxes
- Builder fees
- Preparation or Recording of Power of Attorney
- Preparation or Recording of Transfer Deeds
- Preparation of Corporate Documents
- Cost of Delivery of Collateral Documents (MECAs or Co-ops)
- Demand Fees
- Fees to Record Unrecorded Satisfactions

An itemization of estimated fees paid to third parties by the borrower to open the HELOC is available upon request.





3/1 LIBOR ARM MORTGAGE PROGRAM DISCLOSURE

This adjustable rate mortgage program disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. The interest rate and payment amount of your loan are subject to change. The loan will have a term of 30 years. Information on other ARM programs is available upon request.

HOW YOUR INTEREST RATE IS CALCULATED

- Index:** The “Index” is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market (“LIBOR”), as published in *The Wall Street Journal*. If the Index is no longer available, we may choose a new index which is based on comparable information. You will be given notice of any change of index.
- Margin:** The Margin is an amount added to the Index to establish your Interest Rate. It is expressed in percentage points. The Margin will stay the same throughout the term of the loan. Ask us about our current Margin.
- Interest Rate:** Starting with the first interest rate adjustment on your loan, the Interest Rate will be based on the Index plus the Margin, rounded to the nearest one-eighth of one percentage point, unless your interest rate “caps” limit the amount of change in your Interest Rate. Ask us about our current Interest Rate.

YOUR INITIAL INTEREST RATE MAY BE DIFFERENT

Your Initial Interest Rate (the Interest Rate applicable to your loan until the first interest rate adjustment) may not be based on the Index and Margin used to make later adjustments. The Index plus the Margin rounded to the nearest one-eighth of one percentage point is called the Fully-Indexed Rate. The amount by which an Initial Interest Rate is less than the Fully-Indexed Rate is called a Discount. The amount by which the Initial Interest Rate is greater than the Fully-Indexed Rate is called a Premium. If your Initial Interest Rate is subject to a Discount, beginning with the first rate adjustment on your loan, your Interest Rate may increase on the adjustment date even if the Index remains the same or declines. Ask us about our current interest rate Discount or Premium. If you choose a rate commitment option, which provides for a floating rate or flowdown, your Initial Interest Rate may be different than the Initial Interest Rate in effect at the time of application. Whether your Initial Interest Rate has a Discount or Premium, and the amount of that Discount or Premium may change as a result.

HOW YOUR INTEREST RATE CAN BE ADJUSTED

- Calculation of the Interest Rate Adjustment:** Your Interest Rate can change once every 12 months beginning 3 years after the first day of the month following your closing date (or 36 months after the closing date if your loan closes on the first day of a month). Your Interest Rate will be determined by adding the Index to the Margin and rounding the total to the nearest one-eighth of one percentage point unless your interest rate “caps” limit the amount of change in your Interest Rate.
- Interest Rate Caps:** At your first and each subsequent interest rate adjustment, your Interest Rate cannot increase or decrease by more than 2.000 percentage points. Over the term of your loan, your Interest Rate cannot increase by more than 6.000 percentage points above your Initial Interest Rate or decrease to less than the Margin on your loan.

HOW YOUR PAYMENT CAN CHANGE

- New Payment Amount:** Your monthly principal and interest payment can increase or decrease substantially each time your Interest Rate is adjusted. The amount of your monthly principal and interest payment can change once every 12 payments beginning with payment number 37. Your monthly principal and interest payment will be based on the Interest Rate, loan balance and remaining loan term. Any increase in the Interest Rate will take the form of a higher payment amount.
- Maximum Rate and Payment Examples:** Separate examples are provided for loans with Discounted, Fully-Indexed and Premium Initial Interest Rates. The examples are based on a Margin, Discount or Premium that we have used recently. Your loan may have a different Margin, Discount or Premium.

Discounted Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 6.500 percent in effect in September, 2006, the maximum amount that the interest rate can rise under this program is 6.000 percentage points to 12.500 percent, and the monthly payment can rise from an initial payment of \$63.21 to a maximum payment of \$103.27 in the 6th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: \$60,000 divided by \$10,000 = 6; 6 x \$63.21 = \$379.26 per month.)

Fully-Indexed Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.625 percent in effect in September, 2006, the maximum amount that the interest rate can rise under this program is 6.000 percentage points to 13.625 percent, and the monthly payment can rise from an initial payment of \$70.78 to a maximum payment of \$112.43 in the 6th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: \$60,000 divided by \$10,000 = 6; 6 x \$70.78 = \$424.68 per month.)

Premium Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.750 percent in effect in September, 2006, the maximum amount that the interest rate can rise under this program is 6.000 percentage points to 13.750 percent, and the monthly payment can rise from an initial payment of \$71.64 to a maximum payment of \$113.46 in the 6th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: \$60,000 divided by \$10,000 = 6; 6 x \$71.64 = \$429.84 per month.)

3. **Notice of Adjustment:** You will be notified in writing 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 your interest rate, payment amount and loan balance.

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3/1 LIBOR ARM MORTGAGE PROGRAM DISCLOSURE INTEREST ONLY 3 OR 10 YEAR INTEREST ONLY PERIODS

This adjustable rate mortgage program disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. The interest rate and payment amount of your loan are subject to change. The loan will have a term of 30 years. Information on other ARM programs is available upon request.

HOW YOUR INTEREST RATE IS CALCULATED

Starting with the first interest rate adjustment on your loan, your Interest Rate will be based on the Index plus the Margin.

1. **Index:** The "Index" is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. If the Index is no longer available, we may choose a new index that is based on comparable information. You will be given notice of any change of index.
2. **Margin:** The Margin is an amount added to the Index to adjust your Interest Rate. It is expressed in percentage points. The Margin will stay the same throughout the term of the loan. Ask us about our current Margin.

YOUR INITIAL INTEREST RATE MAY BE DIFFERENT

Your Initial Interest Rate (the Interest Rate applicable to your loan until the first interest rate adjustment) may not be based on the Index and Margin used to make later adjustments. The Index plus the Margin rounded to the nearest one-eighth of one percentage point is called the Fully-Indexed Rate. The amount by which an Initial Interest Rate is less than the Fully-Indexed Rate is called a Discount. The amount by which the Initial Interest Rate is greater than the Fully Indexed Rate is called a Premium. If your Initial Interest Rate is subject to a Discount, your Interest Rate may increase on the first and subsequent rate adjustment dates even if the Index remains the same or declines. Ask us about our current Initial Interest Rate and about our current interest rate Discount or Premium.

If you choose a rate commitment option that provides for a floating rate or flowdown, your Initial Interest Rate may be different than the Initial Interest Rate in effect at the time of application. Whether your Initial Interest Rate has a Discount or Premium, and the amount of that Discount or Premium may change as a result.

HOW YOUR INTEREST RATE CAN BE ADJUSTED

1. **Calculation of the Interest Rate Adjustment:** Your Interest Rate can change once every 12 months beginning 36 months after the first day of the month following your closing date (or 36 months after the closing date if your loan closes on the first day of a month). At each interest rate adjustment your Interest Rate will be determined by adding the Index to the Margin and rounding the total to the nearest one-eighth of one percentage point, unless your interest rate "caps" limit the amount of change in your Interest Rate.
2. **Interest Rate Caps:** At your first interest rate adjustment, your Interest Rate cannot increase or decrease by more than 2 percentage points. At each subsequent interest rate adjustment, your Interest Rate cannot increase or decrease by more than 2 percentage points. Over the term of your loan, your Interest Rate cannot increase by more than 6 percentage points above your Initial Interest Rate or decrease to less than the Margin on your loan.

HOW YOUR PAYMENT CAN CHANGE

1. **New Payment Amount:** Your monthly interest-only or principal and interest payment can increase or decrease substantially each time your Interest Rate is adjusted. The amount of your monthly interest-only or principal and interest payment can change once every 12 months beginning with payment number 37. Any increase in the Interest Rate will take the form of a higher payment amount. Your initial monthly payments will require payment of interest but not of principal. You may choose either a 3 year or a 10 year Interest Only period:
3 Year Interest Only Period - If you choose a 3 year Interest Only period, your first 36 monthly payments will be based on the Interest Rate and the loan balance and do not require the payment of principal. Beginning with payment number 37, your monthly payment will include both principal and interest be based on the Interest Rate, the loan balance, and remaining loan term.
10 Year Interest Only Period - If you choose a 10 year Interest Only period, your first 120 monthly payments will be based on the Interest Rate and the loan balance and do not require the payment of principal. Beginning with payment number 121, your monthly payment will include both principal and interest be based on the Interest Rate, the loan balance, and remaining loan term.

2. **Notice of Adjustment:** You will be notified in writing 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 your interest rate, payment amount, and loan balance.
3. **Maximum Rate and Payment Examples:** Separate examples are provided for loans with Discounted, Fully-Indexed and Premium Initial Interest Rates and for 3 year and 10 year Interest Only periods. The examples are based on Margins, Discounts or Premiums that we have used recently. Your loan may have a different Margin, Discount or Premium.

To see what your payment would be based upon any of these examples, divide your mortgage amount by \$10,000; then multiply the payment in the example by that amount. For example, if the initial monthly interest only payment in the example was \$50.00 for a mortgage amount of \$10,000, then the initial monthly interest only payment for a mortgage amount of \$60,000 would be: $\$60,000 \div \$10,000 = 6$; $6 \times \$50.00 = \300.00 per month.

Discounted Initial Interest Rate/3 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 6.000% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 6 percentage points to 12.000%, and the monthly payment can rise from the interest only payment of \$50.00 to a maximum principal and interest payment of \$103.29 in the 61st month.

Discounted Initial Interest Rate/10 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 6.000% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 6 percentage points to 12.000%, and the monthly payment can rise from the initial interest only payment of \$50.00 to a maximum interest only payment of \$100.00 by the 61st month, and to a maximum principal and interest payment of \$110.11 in the 121st month.

Fully-Indexed Initial Interest Rate/3 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 6.875% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 6 percentage points to 12.875%, and the monthly payment can rise from the interest only payment of \$57.29 to a maximum principal and interest payment of \$109.99 in the 61st month.

Fully-Indexed Initial Interest Rate/10 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.125% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 6 percentage points to 13.125%, and the monthly payment can rise from the initial interest only payment of \$59.38 to a maximum interest only payment of \$109.38 by the 61st month, and to a maximum principal and interest payment of \$118.05 in the 121st month.

Premium Initial Interest Rate/3 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.500% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 6 percentage points to 13.500%, and the monthly payment can rise from the interest only payment of \$62.50 to a maximum principal and interest payment of \$114.84 in the 61st month.

Premium Initial Interest Rate/10 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.500% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 6 percentage points to 13.500%, and the monthly payment can rise from the initial interest only payment of \$62.50 to a maximum interest only payment of \$112.50 by the 61st month, and to a maximum principal and interest payment of \$120.74 in the 121st month.





5/1 LIBOR ARM MORTGAGE PROGRAM DISCLOSURE

This adjustable rate mortgage program disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. The interest rate and payment amount of your loan are subject to change. The loan will have a term of 30 years. Information on other ARM programs is available upon request.

HOW YOUR INTEREST RATE IS CALCULATED

1. **Index:** The Index is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. If the Index is no longer available, we may choose a new index which is based on comparable information. You will be given notice of any change of index.
2. **Margin:** The Margin is an amount added to the Index to establish your Interest Rate. It is expressed in percentage points. The Margin will stay the same throughout the term of the loan. Ask us about our current Margin.
3. **Interest Rate:** Starting with the first interest rate adjustment on your loan, the Interest Rate will be based on the Index plus the Margin, rounded to the nearest one-eighth of one percentage point, unless your interest rate "caps" limit the amount of change in the interest rate. Ask us about our current Interest Rate.

YOUR INITIAL INTEREST RATE MAY BE DIFFERENT

Your Initial Interest Rate (the Interest Rate applicable to your loan until the first interest rate adjustment) may not be based on the Index and Margin used to make later adjustments. The Index plus the Margin rounded to the nearest one-eighth of the percentage point is called the Fully-Indexed Rate. The amount by which an Initial Interest Rate is less than the Fully-Indexed Rate is called a Discount. The amount by which an Initial Interest Rate is greater than the Fully-Indexed Rate is called a Premium. If your Initial Interest Rate is subject to a Discount, beginning with the first rate adjustment on your loan, your Interest Rate may increase on the adjustment date even if the Index remains the same or declines. Ask us about our current interest rate Discount or Premium. If you choose a rate commitment option which provides for a floating rate or flowdown, your Initial Interest Rate may be different than the Initial Interest Rate in effect at the time of application. Whether your Initial Interest Rate has a Discount or Premium, and the amount of that Discount or Premium may change as a result.

HOW YOUR INTEREST RATE CAN BE ADJUSTED

1. **Calculation of the Interest Rate Adjustment:** Your Interest Rate can change once every 12 months beginning 5 years after the first day of the month following your closing date (or 60 months after the closing date if your loan closes on the first day of a month). Your Interest Rate will be determined by adding the Index to the Margin and rounding the total to the nearest one-eighth of one percentage point, unless your interest rate "caps" limit the amount of change in your Interest Rate.
2. **Interest Rate Caps:** At your first interest rate adjustment, your Interest Rate cannot increase or decrease by more than 5.000 percentage points. At each subsequent interest rate adjustment, your Interest Rate cannot increase or decrease by more than 2.000 percentage points. Over the term of your loan, your Interest Rate cannot increase by more than 5.000 percentage points above your Initial Interest Rate or decrease to less than the Margin on your loan.

HOW YOUR PAYMENT CAN CHANGE

1. **New Payment Amount:** Your monthly principal and interest payment can increase or decrease substantially each time your Interest Rate is adjusted. The amount of your monthly principal and interest payment can change once every 12 payments beginning with payment number 61. Your monthly principal and interest payment will be based on the Interest Rate, loan balance and remaining loan term. Any increase in the Interest Rate will take the form of a higher payment amount.
2. **Maximum Rate and Payment Examples:** Separate examples are provided for loans with Discounted, Fully-Indexed and Premium Initial Interest Rates. The examples are based on a Margin, Discount or Premium that we have used recently. Your loan may have a different Margin, Discount or Premium.

Discounted Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 6.625 percent in effect in September 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 11.625 percent, and the monthly payment can rise from an initial payment of \$64.03 to a maximum payment of \$96.15 in the 6th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$64.03 = \384.18 per month.)

Fully-Indexed Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.625 percent in effect in September 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 12.625 percent, and the monthly payment of \$70.78 to a maximum payment of \$104.18 in the 6th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$70.78 = \424.68 per month.)

Premium Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.750 percent in effect in September 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 12.750 percent, and the monthly payment of \$71.64 to a maximum payment of \$105.19 in the 6th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$71.64 = \429.84 per month.)

3. **Notice of Adjustment:** You will be notified in writing at least 25, but not more than 120 days before that due date of a payment at a new level. This notice will contain information about your interest rate, payment amount, and loan balance.

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5/1 LIBOR ARM MORTGAGE PROGRAM DISCLOSURE INTEREST ONLY 5 OR 10 YEAR INTEREST ONLY PERIODS

This adjustable rate mortgage program disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. The interest rate and payment amount of your loan are subject to change. The loan will have a term of 30 years. Information on other ARM programs is available upon request.

HOW YOUR INTEREST RATE IS CALCULATED

Starting with the first interest rate adjustment on your loan, your Interest Rate will be based on the Index plus the Margin.

1. **Index:** The "Index" is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. If the Index is no longer available, we may choose a new index that is based on comparable information. You will be given notice of any change of index.
2. **Margin:** The Margin is an amount added to the Index to adjust your Interest Rate. It is expressed in percentage points. The Margin will stay the same throughout the term of the loan. Ask us about our current Margin.

YOUR INITIAL INTEREST RATE MAY BE DIFFERENT

Your Initial Interest Rate (the Interest Rate applicable to your loan until the first interest rate adjustment) may not be based on the Index and Margin used to make later adjustments. The Index plus the Margin rounded to the nearest one-eighth of one percentage point is called the Fully-Indexed Rate. The amount by which an Initial Interest Rate is less than the Fully-Indexed Rate is called a Discount. The amount by which the Initial Interest Rate is greater than the Fully Indexed Rate is called a Premium. If your Initial Interest Rate is subject to a Discount, your Interest Rate may increase on the first and subsequent rate adjustment dates even if the Index remains the same or declines. Ask us about our current Initial Interest Rate and about our current interest rate Discount or Premium.

If you choose a rate commitment option that provides for a floating rate or flowdown, your Initial Interest Rate may be different than the Initial Interest Rate in effect at the time of application. Whether your Initial Interest Rate has a Discount or Premium, and the amount of that Discount or Premium may change as a result.

HOW YOUR INTEREST RATE CAN BE ADJUSTED

1. **Calculation of the Interest Rate Adjustment:** Your Interest Rate can change once every 12 months beginning 60 months after the first day of the month following your closing date (or 60 months after the closing date if your loan closes on the first day of a month). At each interest rate adjustment your Interest Rate will be determined by adding the Index to the Margin and rounding the total to the nearest one-eighth of one percentage point, unless your interest rate "caps" limit the amount of change in your Interest Rate.
2. **Interest Rate Caps:** At your first interest rate adjustment, your Interest Rate cannot increase or decrease by more than 5 percentage points. At each subsequent interest rate adjustment, your Interest Rate cannot increase or decrease by more than 2 percentage points. Over the term of your loan, your Interest Rate cannot increase by more than 5 percentage points above your Initial Interest Rate or decrease to less than the Margin on your loan.

HOW YOUR PAYMENT CAN CHANGE

1. **New Payment Amount:** Your monthly interest-only or principal and interest payment can increase or decrease substantially each time your Interest Rate is adjusted. The amount of your monthly interest-only or principal and interest payment can change once every 12 months beginning with payment number 61. Any increase in the Interest Rate will take the form of a higher payment amount. Your initial monthly payments will require payment of interest but not of principal. You may choose either a 5 year or a 10 year Interest Only period:
5 Year Interest Only Period - If you choose a 5 year Interest Only period, your first 60 monthly payments will be based on the Interest Rate and the loan balance and do not require the payment of principal. Beginning with payment number 61, your monthly payment will include both principal and interest be based on the Interest Rate, the loan balance, and remaining loan term.
10 Year Interest Only Period - If you choose a 10 year Interest Only period, your first 120 monthly payments will be based on the Interest Rate and the loan balance and do not require the payment of principal. Beginning with payment number 121, your monthly payment will include both principal and interest be based on the Interest Rate, the loan balance, and remaining loan term.

2. **Notice of Adjustment:** You will be notified in writing 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 your interest rate, payment amount, and loan balance.
3. **Maximum Rate and Payment Examples:** Separate examples are provided for loans with Discounted, Fully-Indexed and Premium Initial Interest Rates and for 5 year and 10 year Interest Only periods. The examples are based on Margins, Discounts or Premiums that we have used recently. Your loan may have a different Margin, Discount or Premium.

To see what your payment would be based upon any of these examples, divide your mortgage amount by \$10,000; then multiply the payment in the example by that amount. For example, if the initial monthly interest only payment in the example was \$50.00 for a mortgage amount of \$10,000, then the initial monthly interest only payment for a mortgage amount of \$60,000 would be: \$60,000 divided by \$10,000 = 6; 6 x \$50.00 = \$300.00 per month.

Discounted Initial Interest Rate/5 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 6.000% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 11.000%, and the monthly payment can rise from the interest only payment of \$50.00 to a maximum principal and interest payment of \$98.01 in the 61st month.

Discounted Initial Interest Rate/10 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 6.000% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 11.000%, and the monthly payment can rise from the initial interest only payment of \$50.00 to a maximum interest only payment of \$91.67 by the 61st month, and to a maximum principal and interest payment of \$103.22 in the 121st month.

Fully-Indexed Initial Interest Rate/5 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 6.875% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 11.875%, and the monthly payment can rise from the interest only payment of \$57.29 to a maximum principal and interest payment of \$104.40 in the 61st month.

Fully-Indexed Initial Interest Rate/10 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.125% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 12.125%, and the monthly payment can rise from the initial interest only payment of \$59.38 to a maximum interest only payment of \$101.04 by the 61st month, and to a maximum principal and interest payment of \$110.98 in the 121st month.

Premium Initial Interest Rate/5 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.250% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 12.250%, and the monthly payment can rise from the interest only payment of \$60.42 to a maximum principal and interest payment of \$107.17 in the 61st month.

Premium Initial Interest Rate/10 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.500% in effect on June 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 12.500%, and the monthly payment can rise from the initial interest only payment of \$62.50 to a maximum interest only payment of \$104.17 by the 61st month, and to a maximum principal and interest payment of \$113.61 in the 121st month.





7/1 LIBOR ARM MORTGAGE PROGRAM DISCLOSURE

This adjustable rate mortgage program disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. The interest rate and payment amount of your loan are subject to change. The loan will have a term of 30 years. Information on other ARM programs is available upon request.

HOW YOUR INTEREST RATE IS CALCULATED

1. **Index:** The “Index” is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market (“LIBOR”), as published in *The Wall Street Journal*. If the Index is no longer available, we may choose a new index, which is based on comparable information. You will be given notice of any change of index.
2. **Margin:** The Margin is an amount added to the Index to establish your Interest Rate. It is expressed in percentage points. The Margin will stay the same throughout the term of the loan. Ask us about our current Margin.
3. **Interest Rate:** Starting with the first interest rate adjustment on your loan, the Interest Rate will be based on the Index plus the Margin, rounded to the nearest one-eighth of one percentage point, unless your Interest Rate “caps” limit the amount of change in your Interest Rate. Ask us about our current Interest Rate.

YOUR INITIAL INTEREST RATE MAY BE DIFFERENT

Your Initial Interest Rate (the Interest Rate applicable to your loan until the first interest rate adjustment) may not be based on the Index and Margin used to make later adjustments. The Index plus the Margin rounded to the nearest one-eighth of the percentage point is called the Fully-Indexed Rate. The amount by which an Initial Interest Rate is less than the Fully-Indexed Rate is called a Discount. The amount by which the Initial Interest Rate is greater than the Fully-Indexed Rate is called a Premium. If your Initial Interest Rate is subject to a Discount, beginning with the first rate adjustment on your loan, your Interest Rate may increase on the adjustment date even if the Index remains the same or declines. Ask us about our current interest rate Discount or Premium. If you choose a rate commitment option which provides for a floating rate or flowdown, your Initial Interest Rate may be different than the Initial Interest Rate in effect at the time of application. Whether your initial Interest Rate has a Discount or Premium, and the amount of that Discount or Premium may change as a result.

HOW YOUR INTEREST RATE CAN BE ADJUSTED

1. **Calculation of the Interest Rate Adjustment:** Your Interest Rate can change once every 12 months beginning 7 years after the first day of the month following your closing date (or 84 months after the closing date if your loan closes on the first day of a month). Your Interest Rate will be determined by adding the Index to the Margin and rounding the total to the nearest one-eighth of one percentage point, unless your interest rate “caps” limit the amount of change in your Interest Rate.
2. **Interest Rate Caps:** At your first interest rate adjustment, your Interest Rate cannot increase or decrease by more than 5.000 percentage points. At each subsequent interest rate adjustment, your Interest Rate cannot increase or decrease by more than 2.000 percentage points. The limit on increases to your Interest Rate over the term of your loan will be set at 5.000 percentage points above your Initial Interest Rate. Your Interest Rate will never decrease to less than the Margin on your loan.

HOW YOUR PAYMENT CAN CHANGE

1. **New Payment Amount:** Your monthly principal and interest payment can increase or decrease substantially each time your Interest Rate is adjusted. The amount of your monthly principal and interest payment can change once every 12 payments beginning with payment number 85. Your monthly principal and interest payment will be based on the Interest Rate, loan balance and remaining loan term. Any increase in the Interest Rate will take the form of a higher payment amount.
2. **Maximum Rate and Payment Examples:** Separate examples are provided for loans with Discounted, Fully-Indexed and Premium Initial Interest Rates. The examples are based on a Margin, Discount or Premium that we have used recently. Your loan may have a different Margin, Discount or Premium.

Discounted Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 6.625 percent in effect in September 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 11.625 percent, and the monthly payment can rise from an initial payment of \$64.03 to a maximum payment of \$94.37 in the 8th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$64.03 = \384.18 per month.)

Fully-Indexed Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.625 percent in effect in September 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 12.625 percent, and the monthly payment can rise from an initial payment of \$70.78 to a maximum payment of \$102.50 in the 8th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$70.78 = \424.68 per month.)

Premium Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.750 percent in effect in September 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 12.750 percent, and the monthly payment can rise from an initial payment of \$71.64 to a maximum payment of \$103.52 in the 8th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$71.64 = \429.84 per month.)

3. **Notice of Adjustment:** You will be notified in writing 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 your interest rate, payment amount, and loan balance.

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7/1 LIBOR ARM MORTGAGE PROGRAM DISCLOSURE INTEREST ONLY 7 OR 10 YEAR INTEREST ONLY PERIODS

This adjustable rate mortgage program disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. The interest rate and payment amount of your loan are subject to change. The loan will have a term of 30 years. Information on other ARM programs is available upon request.

HOW YOUR INTEREST RATE IS CALCULATED

Starting with the first interest rate adjustment on your loan, your Interest Rate will be based on the Index plus the Margin.

1. **Index:** The "Index" is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. If the Index is no longer available, we may choose a new index that is based on comparable information. You will be given notice of any change of index.
2. **Margin:** The Margin is an amount added to the Index to adjust your Interest Rate. It is expressed in percentage points. The Margin will stay the same throughout the term of the loan. Ask us about our current Margin.

YOUR INITIAL INTEREST RATE MAY BE DIFFERENT

Your Initial Interest Rate (the Interest Rate applicable to your loan until the first interest rate adjustment) may not be based on the Index and Margin used to make later adjustments. The Index plus the Margin rounded to the nearest one-eighth of one percentage point is called the Fully-Indexed Rate. The amount by which an Initial Interest Rate is less than the Fully-Indexed Rate is called a Discount. The amount by which the Initial Interest Rate is greater than the Fully Indexed Rate is called a Premium. If your Initial Interest Rate is subject to a Discount, your Interest Rate may increase on the first and subsequent rate adjustment dates even if the Index remains the same or declines. Ask us about our current Initial Interest Rate and about our current interest rate Discount or Premium.

If you choose a rate commitment option that provides for a floating rate or flowdown, your Initial Interest Rate may be different than the Initial Interest Rate in effect at the time of application. Whether your Initial Interest Rate has a Discount or Premium, and the amount of that Discount or Premium may change as a result.

HOW YOUR INTEREST RATE CAN BE ADJUSTED

1. **Calculation of the Interest Rate Adjustment:** Your Interest Rate can change once every 12 months beginning 84 months after the first day of the month following your closing date (or 84 months after the closing date if your loan closes on the first day of a month). At each interest rate adjustment your Interest Rate will be determined by adding the Index to the Margin and rounding the total to the nearest one-eighth of one percentage point, unless your interest rate "caps" limit the amount of change in your Interest Rate.
2. **Interest Rate Caps:** At your first interest rate adjustment, your Interest Rate cannot increase or decrease by more than 5 percentage points. At each subsequent interest rate adjustment, your Interest Rate cannot increase or decrease by more than 2 percentage points. Over the term of your loan, your Interest Rate cannot increase by more than 5 percentage points above your Initial Interest Rate or decrease to less than the Margin on your loan.

HOW YOUR PAYMENT CAN CHANGE

1. **New Payment Amount:** Your monthly interest-only or principal and interest payment can increase or decrease substantially each time your Interest Rate is adjusted. The amount of your monthly interest-only or principal and interest payment can change once every 12 months beginning with payment number 85. Any increase in the Interest Rate will take the form of a higher payment amount. Your initial monthly payments will require payment of interest but not of principal. You may choose either a 7 year or a 10 year Interest Only period:
7 Year Interest Only Period - If you choose a 7 year Interest Only period, your first 84 monthly payments will be based on the Interest Rate and the loan balance and do not require the payment of principal. Beginning with payment number 85, your monthly payment will include both principal and interest be based on the Interest Rate, the loan balance, and remaining loan term.
10 Year Interest Only Period - If you choose a 10 year Interest Only period, your first 120 monthly payments will be based on the Interest Rate and the loan balance and do not require the payment of principal. Beginning with payment number 121, your monthly payment will include both principal and interest be based on the Interest Rate, the loan balance, and remaining loan term.

2. **Notice of Adjustment:** You will be notified in writing 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 your interest rate, payment amount, and loan balance.
3. **Maximum Rate and Payment Examples:** Separate examples are provided for loans with Discounted, Fully-Indexed and Premium Initial Interest Rates and for 7 year and 10 year Interest Only periods. The examples are based on Margins, Discounts or Premiums that we have used recently. Your loan may have a different Margin, Discount or Premium.

To see what your payment would be based upon any of these examples, divide your mortgage amount by \$10,000; then multiply the payment in the example by that amount. For example, if the initial monthly interest only payment in the example was \$50.00 for a mortgage amount of \$10,000, then the initial monthly interest only payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$50.00 = \300.00 per month.

Discounted Initial Interest Rate/7 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 6.000% in effect on September 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 11.000%, and the monthly payment can rise from the interest only payment of \$50.00 to a maximum principal and interest payment of \$99.70 in the 85th month.

Discounted Initial Interest Rate/10 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 6.000% in effect on September 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 11.000%, and the monthly payment can rise from the initial interest only payment of \$50.00 to a maximum interest only payment of \$91.67 by the 85th month, and to a maximum principal and interest payment of \$103.22 in the 121st month.

Fully-Indexed Initial Interest Rate/7 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.125% in effect on September 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 12.125%, and the monthly payment can rise from the interest only payment of \$59.38 to a maximum principal and interest payment of \$107.76 in the 85th month.

Fully-Indexed Initial Interest Rate/10 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.125% in effect on September 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 12.125%, and the monthly payment can rise from the initial interest only payment of \$59.38 to a maximum interest only payment of \$101.04 by the 85th month, and to a maximum principal and interest payment of \$110.98 in the 121st month.

Premium Initial Interest Rate/7 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.250% in effect on September 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 12.250%, and the monthly payment can rise from the interest only payment of \$60.42 to a maximum principal and interest payment of \$108.67 in the 85th month.

Premium Initial Interest Rate/10 Year Interest Only Period Example

On a \$10,000 30 year loan with an initial interest rate of 7.500% in effect on September 18, 2007, the maximum amount that the Interest Rate can rise under this program is 5 percentage points to 12.500%, and the monthly payment can rise from the initial interest only payment of \$62.50 to a maximum interest only payment of \$104.17 by the 85th month, and to a maximum principal and interest payment of \$113.61 in the 121st month.





10/1 LIBOR ARM MORTGAGE PROGRAM DISCLOSURE

This adjustable rate mortgage program disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. The interest rate and payment amount of your loan are subject to change. The loan will have a term of 30 years. Information on other ARM programs is available upon request.

HOW YOUR INTEREST RATE IS CALCULATED

1. **Index:** The “Index” is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market (“LIBOR”), as published in *The Wall Street Journal*. If the Index is no longer available, we may choose a new index which is based on comparable information. You will be given notice of any change of index.
2. **Margin:** The Margin is an amount added to the Index to establish your Interest Rate. It is expressed in percentage points. The Margin will stay the same throughout the term of the loan. Ask us about our current Margin.
3. **Interest Rate:** Starting with the first interest rate adjustment on your loan, the Interest Rate will be based on the Index plus the Margin, rounded to the nearest one-eighth of one percentage point unless your Interest Rate “caps” limit the amount of change in your Interest Rate. Ask us about our current Interest Rate.

YOUR INITIAL INTEREST RATE MAY BE DIFFERENT

Your Initial Interest Rate (the Interest Rate applicable to your loan until the first interest rate adjustment) may not be based on the Index and Margin used to make later adjustments. The Index plus the Margin rounded to the nearest one-eighth of one percentage point is called the Fully-Indexed Rate. The amount by which an Initial Interest Rate is less than the Fully-Indexed Rate is called a Discount. The amount by which the Initial Interest Rate is greater than the Fully-Indexed Rate is called a Premium. If your Initial Interest Rate is subject to a Discount, beginning with the first rate adjustment on your loan, your Interest Rate may increase on the adjustment date even if the Index remains the same or declines. Ask us about our current interest rate Discount or Premium. If you choose a rate commitment option which provides for a floating rate or flowdown, your Initial Interest Rate may be different than the Initial Interest Rate in effect at the time of application. Whether your initial Interest Rate has a Discount or Premium, and the amount of that Discount or Premium may change as a result.

HOW YOUR INTEREST RATE CAN BE ADJUSTED

1. **Calculation of the Interest Rate Adjustment:** Your Interest Rate can change once every 12 months beginning 10 years after the first day of the month following your closing date (or 120 months after the closing date if your loan closes on the first day of a month). Your Interest Rate will be determined by adding the Index to the Margin and rounding the total to the nearest one-eighth of one percentage point, unless your interest rate “caps” limit the amount of change in your Interest Rate.
2. **Interest Rate Caps:** At your first interest rate adjustment, your Interest Rate cannot increase or decrease by more than 5.000 percentage points. At each subsequent interest rate adjustment, your Interest Rate cannot increase or decrease by more than 2.000 percentage points. The limit on increases your Interest Rate over the term of your loan will be set at 5.000 percentage points above your Initial Interest Rate. Your Interest Rate will never decrease to less than the Margin on your loan.

HOW YOUR PAYMENT CAN CHANGE

1. **New Payment Amount:** Your monthly principal and interest payment can increase or decrease substantially each time your Interest Rate is adjusted. The amount of your monthly principal and interest payment can change once every 12 payments beginning with payment number 121. Your monthly principal and interest payment will be based on the Interest Rate, loan balance and remaining loan term. Any increase in the Interest Rate will take the form of a higher payment amount.
2. **Maximum Rate and Payment Examples:** Separate examples are provided for loans with Discounted, Fully-Indexed and Premium Initial Interest Rates. The examples are based on a Margin, Discount or Premium that we have used recently. Your loan may have a different Margin, Discount or Premium.

Discounted Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 6.625 percent in effect in September 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 11.625 percent, and the monthly payment can rise from an initial payment of \$64.03 to a maximum payment of \$91.42 in the 11th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$64.03 = \384.18 per month.)

Fully-Indexed Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.625 percent in effect in September 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 12.625 percent, and the monthly payment can rise from an initial payment of \$70.78 to a maximum payment of \$99.65 in the 11th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$70.78 = \424.68 per month.)

Premium Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.750 percent in effect in September 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 12.750 percent, and the monthly payment can rise from an initial payment of \$71.64 to a maximum payment of \$100.69 in the 11th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \text{ divided by } \$10,000 = 6$; $6 \times \$71.64 = \429.84 per month.)

3. **Notice of Adjustment:** You will be notified in writing at least 25, but not more than 120, days before that due date of a payment at a new level. This notice will contain information about your interest rate, payment amount, and loan balance.

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10/1 LIBOR ARM MORTGAGE PROGRAM DISCLOSURE INTEREST ONLY

This adjustable rate mortgage program disclosure describes the features of the adjustable rate mortgage (ARM) program you are considering. The interest rate and payment amount of your loan are subject to change. The loan will have a term of 30 years. Information on other ARM programs is available upon request.

HOW YOUR INTEREST RATE IS CALCULATED

1. **Index:** The "Index" is the average of interbank offered rates for one-year U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. If the Index is no longer available, we may choose a new index, which is based on comparable information. You will be given notice of any change of index.
2. **Margin:** The Margin is an amount added to the Index to establish your Interest Rate. It is expressed in percentage points. The Margin will stay the same throughout the term of the loan. Ask us about our current Margin.
3. **Interest Rate:** Starting with the first interest rate adjustment on your loan, the Interest Rate will be based on the Index plus the Margin, rounded to the nearest one-eighth of one percentage point unless your Interest Rate "caps" limit the amount of change in your Interest Rate. Ask us about our current Interest Rate.

YOUR INITIAL INTEREST RATE MAY BE DIFFERENT

Your Initial Interest Rate (the Interest Rate applicable to your loan until the first interest rate adjustment) may not be based on the Index and Margin used to make later adjustments. The Index plus the Margin rounded to the nearest one-eighth of one percentage point is called the Fully-Indexed Rate. The amount by which an Initial Interest Rate is less than the Fully-Indexed Rate is called a Discount. The amount by which the Initial Interest Rate is greater than the Fully-Indexed Rate is called a Premium. If your Initial Interest Rate is subject to a Discount, beginning with the first rate adjustment on your loan, your Interest Rate may increase on the adjustment date even if the Index remains the same or declines. Ask us about our current interest rate Discount or Premium. If you choose a rate commitment option, which provides for a floating rate or flowdown, your Initial Interest Rate may be different than the Initial Interest Rate in effect at the time of application. Whether your Initial Interest Rate has a Discount or Premium, and the amount of that Discount or Premium may change as a result.

HOW YOUR INTEREST RATE CAN BE ADJUSTED

1. **Calculation of the Interest Rate Adjustment:** Your Interest Rate can change once every 12 months beginning 10 years after the first day of the month following your closing date (or 120 months after the closing date if your loan closes on the first day of a month). Your Interest Rate will be determined by adding the Index to the Margin and rounding the total to the nearest one-eighth of one percentage point, unless your interest rate "caps" limit the amount of change in your Interest Rate.
2. **Interest Rate Caps:** At your first interest rate adjustment, your Interest Rate cannot increase or decrease by more than 5.000 percentage points. At each subsequent interest rate adjustment, your Interest Rate cannot increase or decrease by more than 2.000 percentage points. The limit on increases to your Interest Rate over the term of your loan will be set at 5.000 percentage points above your Initial Interest Rate. Your Interest Rate will never decrease to less than the Margin on your loan.

HOW YOUR PAYMENT CAN CHANGE

1. **New Payment Amount:** Your monthly principal and interest payment can increase or decrease substantially each time your Interest Rate is adjusted. The amount of your monthly principal and interest payment can change once every 12 payments beginning with payment number 121. Your first 120 payments will be based on the Interest Rate and loan balance and may not require the payment of principal. Beginning with payment number 121, your monthly principal and interest payment will be based on the Interest Rate, loan balance and remaining loan term. Any increase in the Interest Rate will take the form of a higher payment amount.
2. **Maximum Rate and Payment Examples:** Separate examples are provided for loans with Discounted, Fully-Indexed and Premium Initial Interest Rates. The examples are based on a Margin, Discount or Premium that we have used recently. Your loan may have a different Margin, Discount or Premium.

Discounted Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 6.750 percent in effect in September, 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 11.750 percent, and the monthly payment can rise from an initial payment of \$56.25 to a maximum payment of \$108.37 in the 11th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \div \$10,000 = 6$; $6 \times \$56.25 = \337.50 per month.)

Fully-Indexed Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.625 percent in effect in September, 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 12.625 percent, and the monthly payment can rise from an initial interest only payment of \$63.54 to a maximum principal and interest payment of \$114.50 in the 11th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \div \$10,000 = 6$; $6 \times \$63.54 = \381.24 per month.)

Premium Initial Interest Rate Example

On a \$10,000 30-year loan with an initial interest rate of 7.750 percent in effect in September, 2006, the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 12.750 percent, and the monthly payment can rise from an initial interest only payment of \$64.58 to a maximum principal and interest payment of \$115.38 in the 11th year. To see what your payment would be based upon this example, divide your mortgage amount by \$10,000; then multiply the mortgage payment by that amount. (For example, the initial monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 \div \$10,000 = 6$; $6 \times \$64.58 = \387.48 per month.)

3. **Notice of Adjustment:** You will be notified in writing 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 your interest rate, payment amount, and loan balance.

