



Uniform Residential Loan Application

CONSUMER
HANDBOOK ON
ADJUSTABLE RATE
MORTGAGES

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**The following Disclosures are applicable if you are applying for an Adjustable Rate Mortgage.
Please review the disclosure for the ARM product you have selected.**

**FEDERAL TRUTH-IN LENDING
ADJUSTABLE RATE
PRINCIPAL DWELLING SECURED
LOAN DISCLOSURE**

**Northwest Community Bank
86 Main Street
Winsted, Connecticut 06098
860-379-7561**

("Lender" / "we" / "us" / "our")

This disclosure reflects some of the terms of an Adjustable Rate Principal Dwelling Secured Loan program, currently offered by Lender which may be discontinued or changed in whole or in part at any time at Lender's option. ("borrower" / "you" / "your" means the undersigned' disclosure recipient) ("Payments" mean scheduled payment periods).

NATURE OF AN ADJUSTABLE RATE PRINCIPAL DWELLING SECURED LOAN The type of Loan you have expressed interest in is called an "Adjustable Rate Mortgage", or an ARM. What this means is that the interest rate varies in relation to changes (increases or decreases) in an interest rate index. Interest Rate changes may cause changes in scheduled payments and/or in the term of your Loan. This ARM disclosure is not a commitment by us to make a Loan to you.

NAME OF PROGRAM This disclosure describes the features of this Lender's Adjustable Rate Mortgage (ARM) program in which you have expressed an interest, namely One Year Adjustable Mortgage with a 2% annual cap and 6% lifetime cap. Disclosure forms on our other ARM programs are also available to you upon request.

INDEX Beginning with the first Change Date, your interest rate will be based on an Index. The Index for this Loan is equal to the Constant Maturity Yield on 1 year United States Treasury Securities Average for first week ending in July. If the Index information is no longer available, the Lender will choose a new index, which is based on comparable information.

YOUR INTEREST RATE Your interest rate will be EQUAL TO THE INDEX PLUS A MARGIN OF 2.875% ROUNDED TO THE NEAREST ONE-EIGHTH OF ONE PERCENTAGE POINT (.125%) This interest rate can adjust ONCE EVERY 12 MONTHS ("Change Date"). The first interest rate adjustment will be after 12 payments. Your interest rate cannot increase more than 2.000 percentage points or decrease more than 2.000 percentage points at each Change Date. Your interest rate cannot increase more than 6.000 percentage points over the Life of your Loan.

You should ask us for the current interest rate and margin value. The interest rate may be rounded to the next higher 0.125% at each Change Date. A decrease in your interest rate warranted by a decrease in the Index will always be automatic subject to any limitation stated under "Your Interest Rate". If an increase in your interest rate is warranted by an increase in the Index, we have the option of foregoing any increase. If we choose to forego any increase, we may take it at a later interest rate Change Date.

YOUR PAYMENTS Your payments will be determined by the interest rate, the loan balance and the remaining loan term. Your payments will be payable monthly. Your payment can adjust EVERY 12 MONTHS based on these changes in the interest rate. The first payment adjustment will be after 12 payments. Any INCREASE will take the form of higher payment amounts. In any event, if on the Maturity Date you still owe amounts on your Loan, you will pay those amounts in full on that date.

ADDITIONAL FEATURES OF THIS ADJUSTABLE RATE MORTGAGE Someone buying your principal dwelling cannot assume the remaining balance of your loan based upon the original terms. A 1.000% prepayment penalty will be assessed if the loan is paid off within the first 24 months.

EXAMPLES: To give you an example of how this Loan program would work, if you had a \$10,000 loan with an initial rate of 3.750% (the rate shown in the interest rate column for the year 2004, adjusted downward 1.265% to reflect a discount).

The maximum amount that the interest rate can rise is 6.000 percentage points to 9.750%. If your payments were due monthly and your loan term was for 30 years, your payment could rise from a first-year payment of \$46.32 to a maximum of \$85.92 in the 4th year.

The above example uses a periodic cap of 2.000% and a life cap of 6.000% in calculating the maximum interest rate and maximum payment.

The following example shows you how your payment would have changed under this Loan program based on actual changes in the Index from 1990 to 2004. This does not necessarily indicate how your index will change in the future. The example is based on the following assumptions.

Amount: \$10,000 Term (for P&I calculation): 360 Months Margin: 2.875%

Initial interest rate discount: 1.265 percentage points. **

Regular interest rate and payment adjustment interval: 12 months.

Maximum increase at each adjustment interval: 2.000 percentage points.

Maximum decrease at each adjustment interval: 2.000 percentage points.

Maximum increase over the life of the loan: 6.000 percentage points.

Index: Constant maturity yield on the 1 yr US Treasury Average for the first week ending in July.

YEAR AS OF FIRST WEEK ENDING IN JULY	INDEX (%)	MARGIN PERCENTAGE POINTS	INTEREST RATE (%)PR\$7	MONTHLY PAYMENT (\$)	REMAINING BALANCE (\$)
1990	7.970	2.875 *	9.610 ***	84.89	9939.71
1991	8.060	2.875 *	10.875	94.16	9888.22
1992	6.400	2.875 *	9.250	82.47	9809.98
1993	3.930	2.875 *	7.250 #####	69.08	9688.25
1994	3.420	2.875 *	6.250	62.90	9534.61
1995	5.500	2.875 *	8.250 ****	75.18	9414.59
1996	5.530	2.875 *	8.375	75.95	9286.83
1997	5.740	2.875 *	8.625	77.48	9152.84
1998	5.380	2.875 *	8.250	75.26	8999.10
1999	5.110	2.875 *	8.000	73.83	8826.85
2000	6.080	2.875 *	9.000	79.42	8661.51
2001	3.700	2.875 *	7.000 #####	68.79	8435.17
2002	2.060	2.875 *	5.000 #####	59.30	8138.59
2003	1.070	2.875 *	4.000	55.05	7797.32
2004	2.140	2.875 *	5.000	59.08	7470.81

- ~ Interest rates are rounded to the nearest 1/8 percentage point.
- * This is a margin we have used recently; yours may be different.
- ** This is a discount we have used recently; yours may be different.
- *** This rate reflects a discount of 1.265% in your initial rate.
- **** This rate reflects a 2.000% rate cap at each adjustment.
- ##### This rate reflects a 2.000% rate floor at each adjustment.

CALCULATING YOUR PAYMENTS FOR A 30 YEAR LOAN.

To see what your payments would have been during that period, divide your mortgage amount by \$10,000; then multiply the payments by that amount. (For example, in 2004 the monthly payment for a mortgage amount of \$80,000 taken out in 1990 would be: $\$80,000 / \$10,000 = 8$; $8 \times \$59.08 = \472.64 per payment.)

NOTICE OF INTEREST RATE AND PAYMENT ADJUSTMENTS You will be notified in writing at least 25 but no more than 120 days before the due date of a payment at a new level due to an interest rate adjustment. If an interest rate adjustment occurs and does not affect your payment amount you will be notified once each year of any such interest rate adjustments made to your Loan. These notices will contain information, as applicable, about:

- 1) The current and prior interest rates.
- 2) The Index values upon which the current and prior interest rates are based.
- 3) The extent to which we have foregone any increase in the interest rate, if any.
- 4) The contractual effects of the adjustment, including the payment due after the adjustment is made, and a statement of the loan balance.
- 5) The payment, if different from the payment referred to in paragraph 4 of this section that would be required to fully amortize your Loan at the new interest rate over the remainder of your Loan term.

ACKNOWLEDGEMENT The undersigned hereby acknowledges receipt of a copy of this Disclosure, and attached exhibits (if any are referenced), along with a copy of the Consumer Handbook on Adjustable Rate Mortgages.

BORROWER

Date

CBOR NAME

Date

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NATURE OF AN ADJUSTABLE RATE PRINCIPAL DWELLING SECURED LOAN The type of Loan you have expressed interest in is called an "Adjustable Rate Mortgage", or an ARM. What this means is that the interest rate varies in relation to changes (increases or decreases) in an interest rate index. Interest Rate changes may cause changes in scheduled payments and/or in the term of your Loan. This ARM disclosure is not a commitment by us to make a Loan to you.

NAME OF PROGRAM This disclosure describes the features of this Lender's Adjustable Rate Mortgage (ARM) program in which you have expressed an interest, namely **3/1 Adjustable Rate Mortgage** (called the "Loan"). Disclosure forms on our other ARM programs are also available to you upon request.

INDEX Beginning with the first Change Date, your interest rate will be based on an Index. The Index for this Loan is equal to the Constant Maturity Yield on 1 year United States Treasury Securities Average for first week ending in July. If the Index information is no longer available, the Lender will choose a new index, which is based on comparable information.

YOUR INTEREST RATE Your interest rate will be fixed for three years then change to an adjustable rate mortgage for the remaining term of the loan. This interest rate can adjust after 36 months, then every 12 months. ("Change Date"). The first interest rate adjustment will be after 36 payments. Your interest rate cannot increase more than 6.000 percentage points over the life of your Loan. Your interest rate cannot increase more than 2.000 percentage points or decrease more than 2.000 percentage points at each Change Date. You should ask us for the current interest rate and margin value. This particular ARM program contains an interest rate discount feature. Your initial interest rate is not based on the Index used to make later adjustments. You should ask us for the amount of the interest rate discount. The interest rate may be rounded to the next higher 0.125% at each Change Date. A decrease in your interest rate warranted by a decrease in the Index will always be automatic subject to any limitation stated under "Your Interest Rate". If an increase in your interest rate is warranted by an increase in the Index, we have the option of foregoing any increase. If we choose to forego any increase, we may take it at a later interest rate Change Date.

YOUR PAYMENTS: Your payments will be determined by the interest rate, the loan balance and the remaining loan term. Your payments will be payable monthly. Your payment can adjust after 36 payments, and then every 12 based on changes in the interest rate. The first payment adjustment will be after 36 payments. Any INCREASE will take the form of higher payment amounts. In any event, if on the Maturity Date you still owe amounts on your Loan, you will pay those amounts in full on that date.

ADDITIONAL FEATURES OF THIS ADJUSTABLE RATE MORTGAGE Someone buying your principal dwelling cannot assume the remaining balance of your loan based upon the original terms. A 1.000% prepayment penalty will be assessed if the loan is paid off within the first 24 months.

EXAMPLES: To give you an example of how this Loan program would work, if you had a \$10,000 loan with an initial rate of 4.500% (the rate shown in the interest rate column for the year 2004, adjusted downward 0.515% to reflect a discount). The maximum amount that the interest rate can rise is 6.000 percentage points, to 10.500%. If your payments were due monthly and your loan term was for 30 years, your payment could rise from a first-year payment of \$50.67 to a maximum of \$91.48 in the 6th year. The above example uses a periodic cap of 2.000% and a life cap of 6.000% in calculating the maximum interest rate and maximum payment.

The following example shows you how your payment would have changed under this Loan program based on actual changes in the Index from 1990 to 2004.

This does not necessarily indicate how your index will change in the future. The example is based on the following assumptions.

Amount: \$10,000 Term (for P&I calculation): 360 Months Margin: 2.875%
 Initial interest rate discount: 0.515 percentage points.**
 Initial interest rate and payment adjustment interval: 36 months.
 Regular interest rate and payment adjustment interval: 12 months.
 Maximum increase at each adjustment interval: 2.000 percentage points.
 Maximum decrease at each adjustment interval: 2.000 percentage points.
 Maximum increase over the life of the loan: 6.000 percentage points.
 Index: Constant maturity yield on the 1 yr US Treasury Average for the first week ending in July.

YEAR AS OF FIRST WEEK ENDING IN JULY	INDEX (%)	MARGIN PERCENTAGE POINTS(%)	INTEREST RATE PR\$7	PR\$6 PAYMENT (\$)	REMAINING BALANCE (\$)
1990	7.970	2.875 *	10.360 ***	90.43	9948.44
1991	8.060	2.875 *	10.360 ***	90.43	9891.27
1992	6.400	2.875 *	10.360 ***	90.43	9827.89
1993	3.930	2.875 *	8.360 #####	76.54	9727.23
1994	3.420	2.875 *	6.360 #####	63.82	9575.67
1995	5.500	2.875 *	8.360 ****	76.21	9457.21
1996	5.530	2.875 *	8.375	76.30	9328.79
1997	5.740	2.875 *	8.625	77.83	9194.20
1998	5.380	2.875 *	8.250	75.60	9039.77
1999	5.110	2.875 *	8.000	74.17	8866.66
2000	6.080	2.875 *	9.000	79.78	8700.56
2001	3.700	2.875 *	7.000 #####	69.10	8473.19
2002	2.060	2.875 *	5.000 #####	59.57	8175.24
2003	1.070	2.875 *	4.000	55.30	7832.41
2004	2.140	2.875 *	5.000	59.35	7504.39

- ~ Interest rates are rounded to the nearest 1/8 percentage point.
- * This is a margin we have used recently; yours may be different.
- ** This is a discount we have used recently; yours may be different.
- *** This rate reflects a discount of 0.515% in your initial rate.
- **** This rate reflects a 2.000% rate cap at each adjustment.
- ##### This rate reflects a 2.000% rate floor at each adjustment.

CALCULATING YOUR PAYMENTS FOR A 30 YEAR LOAN.

To see what your payments would have been during that period, divide your mortgage amount by \$10,000; then multiply the payments by that amount.
 (For example, in 2004 the monthly payment for a mortgage amount of \$80,000 taken out in 1990 would be: \$80,000 / \$10,000 = 8; 8 x \$59.35 = \$474.80 per payment.)

NOTICE OF INTEREST RATE AND PAYMENT ADJUSTMENTS You will be notified in writing at least 25 but no more than 120 days before the due date of a payment at a new level due to an interest rate adjustment. If an interest rate adjustment occurs and does not affect your payment amount you will be notified once each year of any such interest rate adjustments made to your Loan. These notices will contain information, as applicable, about:

- 1) The current and prior interest rates.
- 2) The Index values upon which the current and prior interest rates are based.
- 3) The extent to which we have foregone any increase in the interest rate, if any.
- 4) The contractual effects of the adjustment, including the payment due after the adjustment is made, and a statement of the loan balance.
- 5) The payment, if different from the payment referred to in paragraph 4 of this section that would be required to fully amortize your Loan at the new interest rate over the remainder of your Loan term.

ACKNOWLEDGEMENT The undersigned hereby acknowledges receipt of a copy of this Disclosure, and attached exhibits (if any are referenced), along with a copy of the Consumer Handbook on Adjustable Rate Mortgages.

 BORROWER Date

 CBOR NAME Date

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NATURE OF AN ADJUSTABLE RATE PRINCIPAL DWELLING SECURED LOAN The type of Loan you have expressed interest in is called an "Adjustable Rate Mortgage", or an ARM. What this means is that the interest rate varies in relation to changes (increases or decreases) in an interest rate index. Interest Rate changes may cause changes in scheduled payments and/or in the term of your Loan. This ARM disclosure is not a commitment by us to make a Loan to you.

NAME OF PROGRAM This disclosure describes the features of this Lender's Adjustable Rate Mortgage (ARM) program in which you have expressed an interest, namely the **5/1 Adjustable Rate Mortgage**, (called the loan) Disclosure forms on our other ARM programs are also available to you upon request.

Beginning with the first Change Date, your interest rate will be based on an Index. The Index for this Loan is equal to the Constant Maturity Yield on 1 year United States Treasury Securities Average for first week ending in July. If the Index information is no longer available, the Lender will choose a new index which is based on comparable information.

YOUR INTEREST RATE Your interest rate will be fixed for five years then change to an adjustable rate mortgage for the remaining term of 25 years. This interest rate can adjust after 60 months, then every 12 months. ("Change Date"). The first interest rate adjustment will be after 60 payments. Your interest rate cannot increase more than 6.000 percentage points over the life of your Loan. Your interest rate cannot increase more than 2.000 percentage points or decrease more than 2.000 percentage points at each Change Date. You should ask us for the current interest rate and margin value. This particular ARM program contains an interest rate discount feature. Your initial interest rate is not based on the Index used to make later adjustments. You should ask us for the amount of the interest rate discount. The interest rate may be rounded to the next higher 0.125% at each Change Date. A decrease in your interest rate warranted by a decrease in the Index will always be automatic subject to any limitation stated under "Your Interest Rate". If an increase in your interest rate is warranted by an increase in the Index, we have the option of foregoing any increase. If we choose to forego any increase, we may take it at a later interest rate Change Date.

YOUR PAYMENTS Your payments will be determined by the interest rate, the loan balance and the remaining loan term. Your payments will be payable monthly. Your payment can adjust after the 60th payment, then every 12 based on changes in the interest rate. The first payment adjustment will be after 60 payments. Any INCREASE will take the form of higher payment amounts. In any event, if on the Maturity Date you still owe amounts on your Loan, you will pay those amounts in full on that date.

ADDITIONAL FEATURES OF THIS ADJUSTABLE RATE MORTGAGE Someone buying your principal dwelling cannot assume the remaining balance of your loan based upon the original terms. A 1.000% prepayment penalty will be assessed if the loan is paid off within the first 24 months.

EXAMPLES To give you an example of how this Loan program would work, if you had a \$10,000 loan with an initial rate of 5.375% the rate shown in the interest rate column for the year 2004, adjusted upward 0.360% to reflect a premium). The maximum amount that the interest rate can rise is 6.000 percentage points, to 11.375%. If your payments were due monthly and your loan term was for 30 years, your payments could rise from a first-year payment of \$56.00 to a maximum of \$98.08 in the 8th year. The above example uses a periodic cap of 2.000% and a life cap of 6.000% in calculating the maximum interest rate and maximum payment.

The following example shows your how your payment would have changed under this Loan program based on actual changes in the Index from 1990 to 2004. This does not necessarily indicate how your index will change in the future. The example is based on the following assumptions.

Amount: \$10,000 Term (for P&I calculation): 360 Months Margin: 2.875%

Initial interest rate premium: 0.360 percentage points.**

Initial interest rate and payment adjustment interval: 60 months.

Regular interest rate and payment adjustment interval: 12 months.

Maximum increase at each adjustment interval: 2.000 percentage points.

Maximum decrease at each adjustment interval: 2.000 percentage points.

Maximum increase over the life of the loan: 6.000 percentage points.

Index: Constant maturity yield on the 1 yr US Treasury Average for the first week ending in July.

YEAR AS OF FIRST WEEK ENDING IN JULY	INDEX (%)	MARGIN PERCENTAGE POINTS	INTEREST RATE (%)	PR\$6 PAYMENT (\$)	REMAINING BALANCE (\$)
1990	7.970	2.875 *	11.235 ***	97.01	9957.22
1991	8.060	2.875 *	11.235 ***	97.01	9909.38
1992	6.400	2.875 *	11.235 ***	97.01	9855.88
1993	3.930	2.875 *	11.235 ***	97.01	9796.05
1994	3.420	2.875 *	11.235 ***	97.01	9729.14
1995	5.500	2.875 *	9.235 #####	83.22	9624.64
1996	5.530	2.875 *	8.375	77.65	9493.96
1997	5.740	2.875 *	8.625	79.21	9356.96
1998	5.380	2.875 *	8.250	76.94	9199.78
1999	5.110	2.875 *	8.000	75.48	9023.63
2000	6.080	2.875 *	9.000	81.19	8854.62
2001	3.700	2.875 *	7.000 #####	70.32	8623.28
2002	2.060	2.875 *	5.000 #####	60.63	8319.99
2003	1.070	2.875 *	4.000	56.28	7971.08
2004	2.140	2.875 *	5.000	60.40	7637.25

- ~ Interest rates are rounded to the nearest 1/8 percentage point.
- * This is a margin we have used recently; yours may be different.
- ** This is a premium we have used recently; yours may be different.
- *** This rate reflects a premium of 0.360% in your initial rate.
- ##### This rate reflects a 2.000% rate floor at each adjustment.

CALCULATING YOUR PAYMENTS FOR A 30 YEAR LOAN.

To see what your payments would have been during that period, divide your mortgage amount by \$10,000; then multiply the payments by that amount.

(For example, in 2004 the monthly payment for a mortgage amount of \$80,000 taken out in 1990 would be: $\$80,000 / \$10,000 = 8$; $8 \times \$60.40 = \483.20 per payment.)

NOTICE OF INTEREST RATE AND

PAYMENT ADJUSTMENTS You will be notified in writing at least 25 but no more than 120 days before the due date of a payment at a new level due to an interest rate adjustment. If an interest rate adjustment occurs and does not affect your payment amount you will be notified once each year of any such interest rate adjustments made to your Loan. These notices will contain information, as applicable, about:

- 1) The current and prior interest rates.
- 2) The Index values upon which the current and prior interest rates are based.
- 3) The extent to which we have foregone any increase in the interest rate, if any.
- 4) The contractual effects of the adjustment, including the payment due after the adjustment is made, and a statement of the loan balance.
- 5) The payment, if different from the payment referred to in paragraph 4 of this section that would be required to fully amortize your Loan at the new interest rate over the remainder of your Loan term.

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Date

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NAME OF PROGRAM This disclosure describes the features of this Lender's Adjustable Rate Mortgage (ARM) program in which you have expressed an interest, namely **7/1 Adjustable Rate Mortgage** (called the "Loan"). Disclosure forms on our other ARM programs are also available to you upon request.

INDEX Beginning with the first Change Date, your interest rate will be based on an Index. The Index for this Loan is equal to the Constant Maturity Yield on 1 year United States Treasury Securities Average for first week ending in July. If the Index information is no longer available, the Lender will choose a new index which is based on comparable information.

YOUR INTEREST RATE Your interest rate will be fixed for seven years then change to an adjustable rate mortgage for the remaining term of 23 years. This interest rate can adjust after 84 months, then every 12 months. ("Change Date"). The first interest rate adjustment will be after 84 payments. Your interest rate cannot increase more than 6.000 percentage points over the life of your Loan. Your interest rate cannot increase more than 2.000 percentage points or decrease more than 2.000 percentage points at each Change Date. You should ask us for the current interest rate and margin value. This particular ARM program contains an interest rate discount feature. Your initial interest rate is not based on the Index used to make later adjustments. You should ask us for the amount of the interest rate discount. The interest rate may be rounded to the next higher 0.125% at each Change Date. The initial adjustment can be entire 6.000%. All other adjustments can be no more than 2.000% at each change. The lifetime cap is 6.000% A decrease in your interest rate warranted by a decrease in the Index will always be automatic subject to any limitation stated under "Your Interest Rate". If an increase in your interest rate is warranted by an increase in the Index, we have the option of foregoing any increase. If we choose to forego any increase, we may take it at a later interest rate Change Date.

YOUR PAYMENTS Your payments will be determined by the interest rate, the loan balance and the remaining loan term. Your payments will be payable monthly. Your payment can adjust after 84th payment, then every 12 based on changes in the interest rate. The first payment adjustment will be after 84 payments. Any INCREASE will take the form of higher payment amounts. In any event, if on the Maturity Date you still owe amounts on your Loan, you will pay those amounts in full on that date.

ADDITIONAL FEATURES OF THIS ADJUSTABLE RATE MORTGAGE Someone buying your principal dwelling cannot assume the remaining balance of your loan based upon the original terms. A 1.000% prepayment penalty will be assessed if the loan is paid off within the first 24 months.

EXAMPLES To give you an example of how this Loan program would work, if you had a \$10,000 loan with an initial rate of 6.000% (the rate shown in the interest rate column for the year 2004, adjusted upward 0.985% to reflect a premium). The maximum amount that the interest rate can rise is 6.000 percentage points, to 12.000%. If your payments were due monthly and your loan term was for 30 years, your payment could rise from a first-year payment of \$59.96 to a maximum of \$102.87 in the 8th year. The above example uses an initial adjustment cap of 6.000%, a periodic cap of 2.000% and a life cap of 6.000% in calculating the maximum interest rate and maximum payment. The following example shows you how your payment would have changed under this Loan program based on actual changes in the Index from 1990 to 2004. This does not necessarily indicate how your index will change in the future. The example is based on the following assumptions.

Amount: \$10,000 Term (for P&I calculation): 360 Months Margin: 2.875%

Initial interest rate premium: 0.985 percentage points.**

Initial interest rate and payment adjustment interval: 84 months.

Regular interest rate and payment adjustment interval: 12 months.

Maximum increase at first adjustment interval: 6.000 percentage points.

Maximum increase at other adjustment intervals: 2.000 percentage points.

Maximum increase over the life of the loan: 6.000 percentage points.

Index: Constant maturity yield on the 1 yr US Treasury Average for the first week ending in July.

YEAR AS OF FIRST WEEK ENDING IN JULY	INDEX (%)	MARGIN PERCENTAGE POINTS	INTEREST RATE (%)		MONTHLY PAYMENT (\$)	REMAINING BALANCE (\$)
1990	7.970	2.875 *	11.860	***	101.79	9962.53
1991	8.060	2.875 *	11.860	***	101.79	9920.36
1992	6.400	2.875 *	11.860	***	101.79	9872.91
1993	3.930	2.875 *	11.860	***	101.79	9819.52
1994	3.420	2.875 *	11.860	***	101.79	9759.43
1995	5.500	2.875 *	11.860	***	101.79	9691.83
1996	5.530	2.875 *	11.860	***	101.79	9615.75
1997	5.740	2.875 *	9.860	#####	88.23	9499.96
1998	5.380	2.875 *	8.250		78.11	9340.45
1999	5.110	2.875 *	8.000		76.63	9161.66
2000	6.080	2.875 *	9.000		82.43	8990.09
2001	3.700	2.875 *	7.000	#####	71.40	8755.15
2002	2.060	2.875 *	5.000	#####	61.55	8447.32
2003	1.070	2.875 *	4.000		57.14	8093.08
2004	2.140	2.875 *	5.000		61.32	7754.20

- ~ Interest rates are rounded to the nearest 1/8 percentage point.
- * This is a margin we have used recently; yours may be different.
- ** This is a premium we have used recently; yours may be different.
- *** This rate reflects a premium of 0.985% in your initial rate.
- ##### This rate reflects a 2.000% rate floor at each adjustment.

CALCULATING YOUR PAYMENTS FOR A 30 YEAR LOAN.

To see what your payments would have been during that period, divide your desired loan amount by \$10,000; then multiply the payments by that amount. (For example, in 2004 the monthly payment for a mortgage amount of \$80,000 taken out in 1990 would be: $\$80,000 / \$10,000 = 8$; $8 \times \$61.32 = \490.56 per payment.)

NOTICE OF INTEREST RATE AND PAYMENT ADJUSTMENTS You will be notified in writing at least 25 but no more than 120 days before the due date of a payment at a new level due to an interest rate adjustment. If an interest rate adjustment occurs and does not affect your payment amount you will be notified once each year of any such interest rate adjustments made to your Loan. These notices will contain information, as applicable, about:

- 1) The current and prior interest rates.
- 2) The Index values upon which the current and prior interest rates are based.
- 3) The extent to which we have foregone any increase in the interest rate, if any.
- 4) The contractual effects of the adjustment, including the payment due after the adjustment is made, and a statement of the loan balance.
- 5) The payment, if different from the payment referred to in paragraph 4 of this section that would be required to fully amortize your Loan at the new interest rate over the remainder of your Loan term.

ACKNOWLEDGEMENT The undersigned hereby acknowledges receipt of a copy of this Disclosure, and attached exhibits (if any are referenced), along with a copy of the Consumer Handbook on Adjustable Rate Mortgages.

BORROWER

Date

CBOR NAME

Date

**FEDERAL TRUTH-IN LENDING
ADJUSTABLE RATE
PRINCIPAL DWELLING SECURED
LOAN DISCLOSURE**

**Northwest Community Bank
86 Main Street
Winsted, Connecticut 06098
860-379-7561
("Lender" / "we" / "us" / "our")**

This disclosure reflects some of the terms of an Adjustable Rate Principal Dwelling Secured Loan program, currently offered by Lender which may be discontinued or changed in whole or in part at any time at Lender's option. ("borrower" / "you" / "your" means the undersigned' disclosure recipient) ("Payments" mean scheduled payment periods).

NATURE OF AN ADJUSTABLE RATE PRINCIPAL DWELLING SECURED LOAN The type of Loan you have expressed interest in is called an "Adjustable Rate Mortgage", or an ARM. What this means is that the interest rate varies in relation to changes (increases or decreases) in an interest rate index. Interest Rate changes may cause changes in scheduled payments and/or in the term of your Loan. This ARM disclosure is not a commitment by us to make a Loan to you.

NAME OF PROGRAM This disclosure describes the features of this Lender's Adjustable Rate Mortgage (ARM) program in which you have expressed an interest, namely 10 / 1 Adjustable Rate Mortgage (called the "Loan"). Disclosure forms on our other ARM programs are also available to you upon request.

INDEX Beginning with the first Change Date, your interest rate will be based on an Index. The Index for this Loan is equal to the Constant Maturity Yield on 1 year United States Treasury Securities Average for first week ending in July. If the Index information is no longer available, the Lender will choose a new index, which is based on comparable information.

YOUR INTEREST RATE: Your interest rate will be fixed for ten years then change to an adjustable rate mortgage for the remaining term of 20 years. This interest rate can adjust after 120 months, then every 12 months. ("Change Date"). The first interest rate adjustment will be after 120 payments. Your interest rate cannot increase more than 6.000 percentage points over the life of your Loan. Your interest rate cannot increase more than 2.000 percentage points or decrease more than 2.000 percentage points at each Change Date. You should ask us for the current interest rate and margin value. This particular ARM program contains an interest rate discount feature. Your initial interest rate is not based on the Index used to make later adjustments. You should ask us for the amount of the interest rate discount. The interest rate may be rounded to the next higher 0.125% at each Change Date. The initial adjustment can be entire 6.000%. All other adjustments can be no more than 2.000% at each change. The lifetime cap is 6.000% A decrease in your interest rate warranted by a decrease in the Index will always be automatic subject to any limitation stated under "Your Interest Rate". If an increase in your interest rate is warranted by an increase in the Index, we have the option of foregoing any increase. If we choose to forego any increase, we may take it at a later interest rate Change Date.

YOUR PAYMENTS: Your payments will be determined by the interest rate, the loan balance and the remaining loan term. Your payments will be payable monthly. Your payment can adjust after 120 payments, and then every 12 based on changes in the interest rate. The first payment adjustment will be after 120 payments. Any INCREASE will take the form of higher payment amounts. In any event, if on the Maturity Date you still owe amounts on your Loan, you will pay those amounts in full on that date.

ADDITIONAL: FEATURES OF THIS ADJUSTABLE RATE MORTGAGE Someone buying your principal dwelling cannot assume the remaining balance of your loan based upon the original terms. A 1.000% prepayment penalty will be assessed if the loan is paid off within the first 24 months.

EXAMPLES: To give you an example of how this Loan program would work, if you had a \$10,000 loan with an initial rate of 6.000% (the rate shown in the interest rate column for the year 2004, adjusted upward 0.985% to reflect a premium). The maximum amount that the interest rate can rise is 6.000 percentage points, to 12.000%. If your payments were due monthly and your loan term was for 30 years, your payment could rise from a first-year payment of \$59.96 to a maximum of \$102.87 in the 11th year.

The above example uses an initial adjustment cap of 6.000%, a periodic cap of 2.000% and a life cap of 6.000% in calculating the maximum interest rate and maximum payment.

The example below shows you how your payment would have changed under this Loan program based on actual changes in the Index from 1990 to 2004. This does not necessarily indicate how your index will change in the future. The example is based on the following assumptions.

Amount: \$10,000 Term (for P&I calculation): 360 Months Margin: 2.875%

Initial interest rate premium: 0.985 percentage points.**

Initial interest rate and payment adjustment interval: 120 months.

Regular interest rate and payment adjustment interval: 12 months.

Maximum increase at first adjustment interval: 6.000 percentage points.

Maximum increase at other adjustment intervals: 2.000 percentage points.

Maximum increase over the life of the loan: 6.000 percentage points.

Index: Constant maturity yield on the 1 yr US Treasury Average for the first week ending in July.

YEAR AS OF FIRST WEEK ENDING IN JULY		MARGIN INDEX (%)	PERCENTAGE POINTS(%)	INTEREST RATE PR\$7	PR\$6 PAYMENT (\$)	REMAINING BALANCE
1990	7.970	2.875 *	11.860	***	101.79	9962.53
1991	8.060	2.875 *	11.860	***	101.79	9920.36
1992	6.400	2.875 *	11.860	***	101.79	9872.91
1993	3.930	2.875 *	11.860	***	101.79	9819.52
1994	3.420	2.875 *	11.860	***	101.79	9759.43
1995	5.500	2.875 *	11.860	***	101.79	9691.83
1996	5.530	2.875 *	11.860	***	101.79	9615.75
1997	5.740	2.875 *	11.860	***	101.79	9530.14
1998	5.380	2.875 *	11.860	***	101.79	9433.81
1999	5.110	2.875 *	11.860	***	101.79	9325.42
2000	6.080	2.875 *	9.860	#####	89.13	9168.37
2001	3.700	2.875 *	7.860	#####	77.56	8950.55
2002	2.060	2.875 *	5.860	#####	67.16	8661.45
2003	1.070	2.875 *	4.000		58.59	8298.21
2004	2.140	2.875 *	5.000		62.87	7950.79

- ~ Interest rates are rounded to the nearest 1/8 percentage point.
- * This is a margin we have used recently; yours may be different.
- ** This is a premium we have used recently; yours may be different.
- *** This rate reflects a premium of 0.985% in your initial rate.
- ##### This rate reflects a 2.000% rate floor at each adjustment.

CALCULATING YOUR PAYMENTS FOR A 30 YEAR LOAN.

To see what your payments would have been during that period, divide your mortgage amount by \$10,000; then multiply the payments by that amount. (For example, in 2004 the monthly payment for a mortgage amount of \$80,000 taken out in 1990 would be: $\$80,000 / \$10,000 = 8$; $8 \times \$62.87 = \502.96 per payment.)

NOTICE OF INTEREST RATE AND PAYMENT ADJUSTMENTS You will be notified in writing at least 25 but no more than 120 days before the due date of a payment at a new level due to an interest rate adjustment. If an interest rate adjustment occurs and does not affect your payment amount you will be notified once each year of any such interest rate adjustments made to your Loan. These notices will contain information, as applicable, about:

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ACKNOWLEDGEMENT The undersigned hereby acknowledges receipt of a copy of this Disclosure, and attached exhibits (if any are referenced), along with a copy of the Consumer Handbook on Adjustable Rate Mortgages.

BORROWER	Date	CBOR NAME	Date
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Uniform Residential Loan 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 _____

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for: <input type="checkbox"/> VA <input type="checkbox"/> Conventional <input type="checkbox"/> Other (explain): <input type="checkbox"/> FHA <input type="checkbox"/> USDA/Rural Housing Service	Agency Case Number	Lender Case Number
Amount \$	Interest Rate %	No. of Months
Amortization Type: <input type="checkbox"/> Fixed Rate <input type="checkbox"/> Other (explain): <input type="checkbox"/> GPM <input type="checkbox"/> ARM (type):		

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state & ZIP)		No. of Units
Legal Description of Subject Property (attach description if necessary)		Year Built
Purpose of Loan <input type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (explain): <input type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent		Property will be: <input type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment
Complete this line if construction or construction-permanent loan. Year Lot Acquired Original Cost Amount Existing Liens (a) Present Value of Lot (b) Cost of Improvements Total (a + b) \$ \$ \$ \$ \$ \$		
Complete this line if this is a refinance loan. Year Acquired Original Cost Amount Existing Liens Purpose of Refinance Describe Improvements <input type="checkbox"/> made <input type="checkbox"/> to be made \$ \$ Cost: \$		
Title will be held in what Name(s)		Manner in which Title will be held <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date)
Source of Down Payment, Settlement Charges, and/or Subordinate Financing (explain)		

III. BORROWER INFORMATION

Borrower				Co-Borrower			
Borrower's Name (include Jr. or Sr. if applicable)				Co-Borrower's Name (include Jr. or Sr. if applicable)			
Social Security Number	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School	Social Security Number	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School
<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed) <input type="checkbox"/> Separated		Dependents (not listed by Co-Borrower) no. ages		<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed) <input type="checkbox"/> Separated		Dependents (not listed by Borrower) no. ages	
Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.				Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.			
Mailing Address, if different from Present Address				Mailing Address, if different from Present Address			

If residing at present address for less than two years, complete the following:

Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
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IV. EMPLOYMENT INFORMATION

Borrower		Co-Borrower	
Name & Address of Employer <input type="checkbox"/> Self Employed		Name & Address of Employer <input type="checkbox"/> Self Employed	
Yrs. on this job		Yrs. on this job	
Yrs. employed in this line of work/profession		Yrs. employed in this line of work/profession	
Position/Title/Type of Business	Business Phone (incl. area code)	Position/Title/Type of Business	Business Phone (incl. area code)
If employed in current position for less than two years or if currently employed in more than one position, complete the following:			
Name & Address of Employer <input type="checkbox"/> Self Employed		Name & Address of Employer <input type="checkbox"/> Self Employed	
Dates (from - to)		Dates (from - to)	
Monthly Income \$		Monthly Income \$	
Position/Title/Type of Business	Business Phone (incl. area code)	Position/Title/Type of Business	Business Phone (incl. area code)
Name & Address of Employer <input type="checkbox"/> Self Employed		Name & Address of Employer <input type="checkbox"/> Self Employed	
Dates (from - to)		Dates (from - to)	
Monthly Income \$		Monthly Income \$	
Position/Title/Type of Business	Business Phone (incl. area code)	Position/Title/Type of Business	Business Phone (incl. area code)

Initials: _____

V. 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		
				Other:		
Total	\$	\$	\$	Total	\$	\$

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

B/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
			\$

VI. ASSETS AND LIABILITIES

This Statement and any applicable supporting schedules may be completed jointly by both married and unmarried Co-Borrowers if their assets and liabilities are sufficiently joined so that the Statement can be meaningfully and fairly presented on a combined basis; otherwise, separate Statements and Schedules are required. If the Co-Borrower section was completed about a non-applicant spouse or other person, this Statement and supporting schedules must be completed about that spouse or other person also.

Completed Jointly Not Jointly

ASSETS	Description	Cash or Market Value	LIABILITIES		
			Name and address of Company	Monthly Payment & Months Left to Pay	Unpaid Balance
	Cash deposit toward purchase held by:	\$			
	List checking and savings accounts below				
	Name and address of Bank, S&L, or Credit Union				
	Acct. no.	\$			
	Name and address of Bank, S&L, or Credit Union				
	Acct. no.	\$			
	Name and address of Bank, S&L, or Credit Union				
	Acct. no.	\$			
	Name and address of Bank, S&L, or Credit Union				
	Acct. no.	\$			
	Name and address of Bank, S&L, or Credit Union				
	Acct. no.	\$			
	Stocks & Bonds (Company name/number & description)	\$			
	Life insurance net cash value	\$			
	Face amount: \$	\$			
	Subtotal Liquid Assets	\$			
	Real estate owned (enter market value from schedule of real estate owned)	\$			
	Vested interest in retirement fund	\$			
	Net worth of business(es) owned (attach financial statement)	\$			
	Automobiles owned (make and year)	\$			
	Other Assets (itemize)	\$			
			Alimony/Child Support/Separate Maintenance Payments Owed to:	\$	
			Job-Related Expense (child care, union dues, etc.)	\$	
			Total Monthly Payments	\$	
	Total Assets a.	\$	Net Worth (a minus b)	\$	Total Liabilities b.

Initials: _____

CONTINUATION SHEET/RESIDENTIAL LOAN APPLICATION

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark **B** for Borrower or **C** for Co-Borrower.

Borrower:	
Co-Borrower:	

Agency Case Number:	
Lender Case Number:	

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature:	Date	Co-Borrower's Signature:	Date
X		X	

Initials: _____