

until the next Interest Change Date. The Note Holder will then determine the amount of the new monthly payment that would be sufficient to repay the unpaid principal balance of my loan that I am expected to owe on the Interest Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation is my new Full Payment Amount.

My interest rate shall never be greater than 19.625 %.

Each new interest rate will become effective on each Interest Change Date, and each new Full Payment Amount will become effective on the first monthly payment date after the Interest Change Date.

(B) Required Full Payment Amount

I will pay the Full Payment Amount as my monthly payment beginning with my 37th monthly payment unless I choose to limit the amount of my monthly payment as permitted by Section 6 (A) below.

5. GRADUATED MONTHLY PAYMENTS 1-36

My first 12 monthly payments will each be in the amount of U.S. \$ 344.42. On each of the first two anniversaries of the date my first monthly payment is due, I will begin paying a new monthly payment which will be equal to the amount I have been paying multiplied by the number 1.075. I will pay the new amount of my monthly payment until it changes in accordance with this Section 5 or Sections 6 or 7 below.

6. BORROWER'S RIGHT TO LIMIT AMOUNT OF REMAINING MONTHLY PAYMENTS

(A) Calculation of Limited Monthly Payment Amount

Unless Sections 6(C) and 6(D) below will not permit me to do so, I may choose to limit the amount of my new monthly payment following the third and each later Interest Change Date to the amount I have paying multiplied by the number 1.075. If I choose to limit the amount of my monthly payment, I must give the Note Holder notice that I am doing so at least 15 days before my first new monthly payment is due.

(B) Additions to My Unpaid Principal Balance

My monthly payment could be less than the amount of the interest portion of a monthly payment which then would be sufficient to repay my unpaid principal balance in full on the maturity date at my current interest rate in substantially equal payments. If so, each month that the amount of my monthly payment is less than the interest portion, the Note Holder will subtract the amount of my monthly payment from the amount of the interest portion and will add the difference to my unpaid principal balance. The Note Holder will also add interest on the amount of this difference to my unpaid principal balance each month. The interest rate on the interest added to principal will be the rate required by Sections 2 or 4 (A) above.

(C) Limit on Unpaid Principal Balance; Increased Monthly Payment Amount

My unpaid principal balance can never exceed a maximum amount equal to one hundred twenty-five percent (125%) of the principal amount I originally borrowed. My paying a monthly payment calculated under Section 6(A) above could cause my unpaid principal balance to exceed that maximum amount. If so, on the date that my paying a monthly payment would cause me to exceed that limit, I will instead begin paying a new monthly payment until the next Interest Change Date. The new monthly payment will be in an amount which would be sufficient to repay my then unpaid principal balance in full on the maturity date at my current interest rate in substantially equal payments.

(D) Final Monthly Payments

Beginning with the first monthly payment after the last Change Date, I will pay the Full Payment Amount as my monthly payment.

7. NOTICE OF CHANGES

The Note Holder will mail or deliver to me a notice of any changes in the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice."

B. CHARGES; LIENS

Uniform Covenant 4 of the Security Instrument is amended to read as follows:

4. Charges; Liens. Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; provided, that Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Security Instrument.

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Security Instrument, Lender shall send Borrower notice identifying such lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within ten days of the giving of notice.

C. NOTICE

Uniform Covenant 14 of the Security Instrument is amended to read as follows:

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.