

EARLY ARM DISCLOSURE STATEMENT

HUNTINGDON VALLEY BANK
1388 W Street Road
Warminster PA 18974

NMLS ID: 456902

PROGRAM NAME: PREFERRED RATE – EQUITY LOAN WITH AUTOMATIC PAYMENT

IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

If you wish to apply for an Adjustable Rate Mortgage loan (referred to in this disclosure as “ARM”) with (referred to in this disclosure as “we”, “us”, “our” or Lender”), you should read the information below concerning the differences between this ARM program and other mortgage loan programs with which you may be familiar. This disclosure describes the features of the specific ARM that you are considering. Upon your request, we will provide you with information about any other Adjustable Rate Mortgage programs we offer.

GENERAL DESCRIPTION OF AN ADJUSTABLE RATE MORTGAGE LOAN. This loan is an Adjustable Rate Mortgage (ARM) loan. Unlike most ARM programs, the initial underlying interest rate for this ARM program is a fixed rate with a preferred rate reduction and is not tied to an interest rate or formula. This preferred rate is subject to termination as described below in this disclosure. In the event of termination, the interest rate will increase. The interest rate increase will be reflected by increases in the amount of the payments. This ARM program is based on the terms and conditions set forth in this disclosure and in the loan documents. We have based this disclosure on recent interest rates and fees. Ask us for our current interest rate and margin for ARM programs.

You should read carefully this disclosure and the promissory note, deed of trust or mortgage, any riders and all other documents that you will be asked to sign if we offer an ARM to you and you accept it. This disclosure is not a contract or a loan commitment. However, the loan documents once signed will be a contract between you and us. The matters discussed in this disclosure are subject to change by us at any time without notice.

HOW YOUR INTEREST RATE IS DETERMINED. Your interest rate will be based on a fixed rate with a preferred rate reduction.

Interest Rate. Your interest rate on this loan will be specified either at the time you receive a loan commitment or at loan closing, and will be based on market conditions at that time. An interest rate of 5.590% per annum is representative of a fixed rate with a preferred rate reduction recently offered by us under this ARM program.

Interest Rate Adjustments. The interest rate under this ARM program is fixed throughout the term of the loan, subject to increase only upon occurrence of an event that would cause us to increase the interest rate as described below. However, under no circumstances will your interest rate exceed 0.50% more than your Preferred Rate per annum at any time during the term of your loan.

Preferred Rate Reduction. Your interest rate includes a preferred rate reduction, and your interest rate may increase based on the occurrence of the following event:

Description of Event That Would Cause the Preferred Rate Reduction to Terminate:

Termination of automatic transfer of loan payments from a Huntingdon Valley Bank checking, savings or money market account.

Rate Determination:

Upon termination of your preferred rate reduction, the new interest rate for your loan will be determined in the following manner: The interest rate will increase .50% from your Preferred Rate. The increase will take the form of a higher payment amount.

HOW YOUR PAYMENTS ARE DETERMINED. Your monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. If your interest rate changes, your payment will be adjusted to fully amortize the loan by the end of the loan period.

Frequency of Payment Changes. Your payment will not change except upon the occurrence of an event that would cause us to increase the interest rate as described above.

APPLICANT ACKNOWLEDGEMENT

The Applicant(s) having read the contents of the above disclosure, I/we acknowledge receipt of this disclosure and further acknowledge that this disclosure was completed in full prior to its receipt. I/we also acknowledge receipt of the handbook entitled "Consumer Handbook on Adjustable Rate Mortgages."

<

Applicant

Date

<

Applicant

Date