

FIRST SAVINGS MORTGAGE CORPORATION

(DISTRICT OF COLUMBIA FINANCING AGREEMENT)

(MARYLAND FINANCING AGREEMENT)

(VIRGINIA EARLY DISCLOSURE)

Name: _____ Date: _____

Address: _____

Thank you for choosing First Savings Mortgage Corporation (FSMC) to finance your home. This agreement supplements the other disclosure documents that have or will be given to you. Employees of FSMC have no authority to vary the terms and conditions outlined in this Agreement, except in writing by authorized personnel. You should not rely on any representation or warranty that is inconsistent with the Agreement.

WE URGE YOU TO READ THIS AGREEMENT CAREFULLY.

I. OPTION TO LOCK-IN OR FLOAT Interest rate and points fluctuate according to market conditions and are based primarily on what it costs FSMC to obtain money and make mortgage loans. FSMC offers you two options for determining the interest rate and total number of points associated with your loan. You must choose one option. **THIS AGREEMENT CONSTITUTES NEITHER AN APPROVAL OF YOUR LOAN NOR A COMMITMENT BY FSMC TO MAKE YOU A LOAN.** Rather, this Agreement is issued for the sole purpose of disclosing the choices available to you to establish the type of loan, the rate of interest and the total amount of points for your loan. For purposes of this Agreement, the total points will consist of the origination fee and discount points; one (1) point equals one percent (1%) of the principal amount of your mortgage loan.

A. Lock-In You may elect to reserve the interest rate and total points for your loan application for a specific period from the date of this Agreement. This reservation is referred to as a "lock-in period." If you elect to lock-in, the interest rate and points offered for your loan will not change during the lock-in period (except as stated on the lock-in agreement) regardless of any increases or decreases in the rate and points subsequently offered to the public by FSMC. A lock-in reserves only your interest rate and points. Other fees and charges are subject to change until settlement.

B. Float Alternatively, you may elect to "float", or to defer a decision to lock-in the interest rate and the total points until a later date. The actual rate of interest, number of total points and types of loan programs available are subject to change until you lock-in and will depend upon prevailing market conditions and the terms offered to the public at the time of your lock-in. These terms may be either higher or lower than the rates and points being offered by FSMC at the present time and programs may have been added or discontinued.

C. Method of Election The election to lock-in or float the interest rate and points is entirely your choice. Employees of FSMC have no authority to advise you on such matters nor should you rely on any such advice. Election of an option must be made on the "LOCK-IN AGREEMENT" form at the time of your application. If you elect to float, it will be your responsibility to monitor FSMC's current loan terms and programs in order to determine when to lock-in. VERBAL LOCK-INS WILL NOT BE HONORED. To effect a valid lock-in of your interest rate, points, and program you and an authorized FSMC representative (loan officer or corporate officer) must sign our lock-in form with all blanks completed, on the day that you wish to lock-in.

Your loan must be locked-in at least five (5) days prior to closing. If you fail to lock-in at least five (5) business days prior to closing, your loan may not close as scheduled.

II. CONDITIONS OF LOCK-IN All lock-ins shall be subject to the following conditions:

Your loan application must be approved, and the loan closed, in accordance with the processing, underwriting and closing requirements, conditions, policies, procedures, rules and/or regulations of FSMC, and if applicable, those of the Federal Housing Administration (FHA), the Veterans Administration (VA), any private mortgage insurer that may insure your loan, and/or the investor that may purchase your loan from FSMC.

BORROWER(S) INITIALS:

III. LIMITATIONS TO LOCK-IN

A. FSMC's Reliance on Third Parties Based upon its past experiences, FSMC believes the lock-in period is a reasonable amount of time in which to close the loan. Not all locked-in loans, however, close within the lock-in period. FSMC's decision to make a loan is based in part on: (i) its review of materials that are provided by you or are prepared by persons who are not our employees and (ii) the review and approval of the loan by government agencies and private companies which may insure or guarantee payments to be made by you under the loan or to which FSMC may sell the loan or from which it may obtain the funds to make the loan.

IN MANY CASES, A DELAY IN APPROVAL OR CLOSING IS DUE TO EITHER: 1) THE ACTIONS OR INACTIONS OF AN INDEPENDENT THIRD PARTY OVER WHICH FSMC EXERCISES NO CONTROL AND FOR WHICH IT ASSUMES NO RESPONSIBILITY, OR 2) A BORROWER WHO DOES NOT PROVIDE ACCURATE OR COMPLETE INFORMATION IN A TIMELY FASHION. For example, the processing of a loan obtained to purchase a home under construction is subject to the progress of construction. Similarly, if you have a history involving past incidents of delinquency or default, or an employment history involving job instability or self-employment, it may take FSMC more time to obtain the information it needs in order to determine whether you can adequately meet your potential mortgage obligation. IN GOOD FAITH, FSMC WILL SEEK TO OBTAIN IN A TIMELY FASHION ALL OF THE REQUIRED MATERIALS AND APPROVALS IT NEEDS FROM SUCH THIRD PARTIES TO COMPLETE OUR PROCESSING AND APPROVAL WITHIN THE LOCK-IN PERIOD.

By your execution of this agreement, you acknowledge and agree that it is your responsibility to provide promptly all documentation, information and certifications that FSMC reasonably may request, and you authorize FSMC to take such other actions as reasonably may be necessary to enable it to process the loan application to obtain all required information and approvals from third parties and to effect loan settlement.

B. Representative reasons for Delay We have detailed below a list of representative reasons which cause a delay in loan approval or closing that may be beyond the control of FSMC in a specific case. This list is not exhaustive. Some or all of these reasons may apply in your case, or other reasons may arise:

1. Obtaining satisfactory credit information from you or from outside sources, including: credit reports and explanations of any delinquencies, assets in sufficient amounts for you to close (including your deposit and any gifts), outstanding loans, mortgages and other assets and liabilities;
2. Obtaining satisfactory written verification of sufficient income to qualify you for the loan;
3. Obtaining satisfactory information from outside sources on the value and conditions of, and title to, the property securing the loan including: appraisals, wood infestation reports, environmental report, use and occupancy certificates, evidence of utilities or energy efficiency, status of construction or repair surveys and title reports;
4. Obtaining satisfactory evidence of insurance, including hazard, flood (if applicable) and title;
5. Obtaining approvals of all governmental agencies and/or private companies insuring or guaranteeing the proposed loan;
6. Obtaining approval from the investor that will purchase your loan from FSMC;
7. Obtaining information needed from the borrower in a timely manner;
8. Failure of your closing agent to close the loan in a timely manner.

IV. EXPIRATION OF LOCK-IN PERIOD While we will take reasonable steps to close your loan within the lock-in period, we cannot guarantee it will close on time. Following the expiration of the lock-in period at its option FSMC will either: 1) Extend the term of the lock-in period and continue to offer the rate and points at which you previously locked-in, or 2) Offer the same programs, rate and points it then offers to the public. IN NEITHER CASE, HOWEVER, WOULD IT OFFER A RATE AND POINTS LOWER THAN THE TERMS OF THE ORIGINAL LOCK-IN.

BORROWER(S) INITIALS:

V. ESTIMATE OF PROCESSING TIME FSMC estimates that it will take approximately 30 days to process and, if approved, close your loan taking into account FSMC's estimate of the time necessary for the performance of any local government inspections and other functions necessary to close the loan. The actual time necessary to process and close the loan may vary from the estimate due to delays in FSMC's receiving required information from you or from independent third parties. Therefore, FSMC is unable to guarantee that your requested loan will be approved or closed within the estimated time or prior to the expiration of any applicable lock-in period.

VI. PRIVATE MORTGAGE INSURANCE If private mortgage insurance is required to be purchased as a condition of making this loan, you as a borrower, may be eligible to request that under appropriate circumstances the private mortgage insurance be canceled.

We hope this agreement clarifies the manner in which the rate of interest and number of points for your loan will be determined. If you have any question, please contact us.

FIRST SAVINGS MORTGAGE CORPORATION

By: _____

Title: _____

BY SIGNING BELOW, I HEREBY ACKNOWLEDGE THAT I HAVE READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT AND AGREE TO BE BOUND BY SUCH TERMS.

BORROWER'S E-MAIL ADDRESS

CO-BORROWER'S E-MAIL ADDRESS

BORROWER

DATE

CO-BORROWER

DATE