

Timberland Bank

Automated Payment System

Terms and Conditions

Please read all of the terms and conditions carefully and sign where indicated.

1. By completing the Automated Payment System (APS) authorization, you are authorizing Timberland Bank to make your loan payment each month by automatically transferring funds from the financial institution account specified by you.
2. Your loan must be in a current status before APS can be established.
3. If your scheduled automated payment date falls on a weekend or a legal bank holiday, the automated payment will occur on the next business day.
4. Be sure to check your financial institution account statement to verify the date and amount of any automated payments initiated by Timberland Bank. In the event of an error, please notify your financial institution and Timberland Bank immediately.
5. If under the terms of your loan, the payment may change, this authorization allows Timberland Bank to adjust the amount paid from your financial institution account to accommodate these changes.
6. If you wish to pay an additional amount toward your outstanding principal balance, this deduction will be made along with your regular monthly payment. You can change or eliminate this additional amount as long as you give Timberland Bank notification at least ten business days before the scheduled APS payment date.
7. Timberland Bank cannot automatically pay fees or additional escrow payments. Payments for fees or additional escrow must be mailed separately.
8. If your financial institution returns an automated payment unpaid, Timberland Bank has the right to assess a reasonable fee. You are then responsible for mailing the payment to Timberland Bank. If your payment is not received by us before the end of your grace period, your payment will be counted as past due and the usual late payment fee will apply.
9. Timberland Bank reserves the right to cancel this arrangement for any reason and may terminate it if:
 - your automated payment is returned by your financial institution because of "Authorization Revoked" or "Account Closed"
 - three automated payments are returned unpaid for insufficient funds within a consecutive 12-month period
 - you do not otherwise comply with these Terms and Conditions or your mortgage loan enters a foreclosure status

Borrower

Borrower

Timberland Bank Automated Payment System Authorization

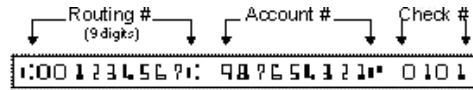
Timberland Bank Loan Number: _____

Name: _____

Daytime Phone Number: _____

Account to debit: _____
 Checking Savings

Or for other banks:



Sample

Your Financial Institution's Name: _____

Your Financial Institution's Phone Number _____

Financial Institution's ABA Routing Number: _____

Financial Institution's Account Number: _____
 Checking Savings

Payment Options:

_____ Please deduct my regularly scheduled payment.

_____ I wish to increase the payment amount of my loan(s) beyond my regularly scheduled payment. Please deduct a total of \$_____ (regular payment plus additional amount) per month and apply the additional amount to the principal balance of my loan.

*Please deduct my payment on the _____ day of each month.

*You may request to have your payment withdrawn on a day other than your due date, taking into consideration your late charge assessment date per your Note. Unless otherwise noted, your payment will be made on your due date.

This authorization is to remain in full force and effect until Timberland Bank has received written notification from me (or either of us) of its termination in such time and in such manner as to afford Timberland Bank and Depository a reasonable opportunity to act on it.

NOTE: WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.

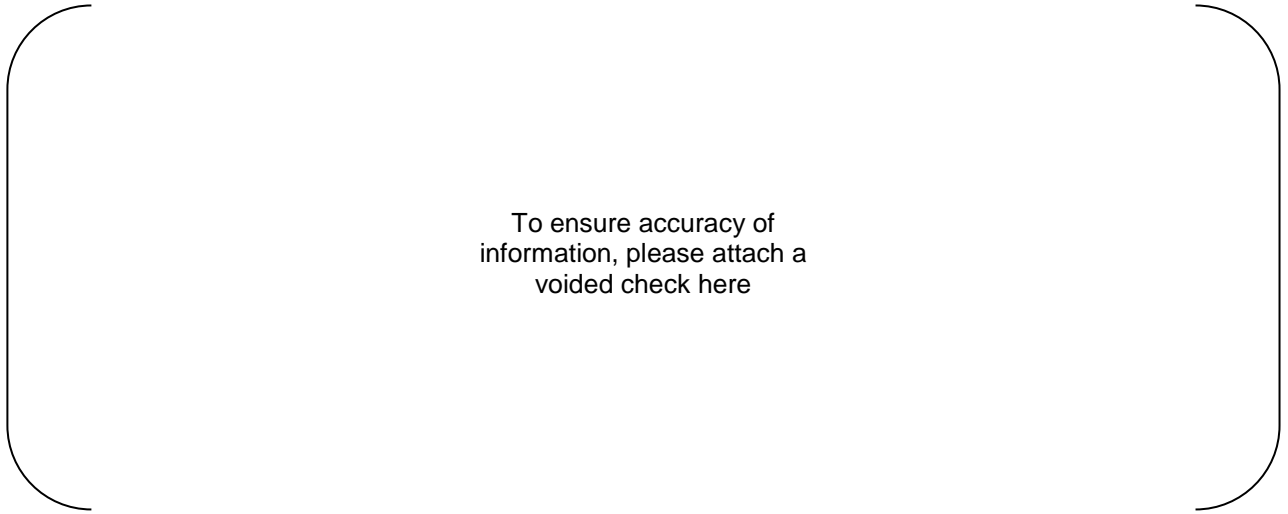
I HAVE READ THE TERMS AND CONDITIONS OF THE AUTOMATED PAYMENT SYSTEMS.

Date: _____

Signature: _____

Signature: _____

For Other Banks Only



To ensure accuracy of
information, please attach a
voided check here

For Bank Use Only

First Payment Date: _____

Date Set-up: _____

Employee Signature: _____