

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

Terme Mortgage, Inc. Introduces Lower Margin HECMs and Fixed Rate Reverse Mortgages

Summit, Illinois – April 6, 2007 – Terme Mortgage, Inc. (the “Mortgage Company”), a subsidiary of Terme Bancorp, Inc. (the “Company”) (Pink Sheets: TMEB.PK), announced today that it is one of the first lenders in Illinois and Florida to offer the federally insured, variable rate Home Equity Conversion Mortgage (HECM) product with a lower margin, as well as a separate, fixed rate Reverse Mortgage product.

The lower HECM margin of 100 basis points versus the 150 basis points previously offered will provide seniors greater access to their home’s equity than the previously released products. The lower margin will reduce the interest costs on the HECM over the life of the loan, providing the senior with a larger amount of equity to utilize. Under the new lower margin HECM, a borrower who is 65 with a house in Cook County, Illinois may be eligible to qualify for an additional \$15,350 assuming their home is worth approximately \$300,000 with no mortgages, liens or repairs.*

“The lower margin gives seniors additional equity access to their homes and provides for a lower interest rate, making Reverse Mortgages an even more attractive option in retirement planning,” said George Yedinak, President of the Mortgage Company. “By maintaining our focus as an independent correspondent mortgage lender, we are able to offer the broadest range of Reverse Mortgage products, from many lenders, to suit the needs of each individual and provide a better experience for consumers interested in Reverse Mortgage solutions.”

Terme Mortgage, Inc. is headquartered at 1255 N. State Parkway #1 South, Chicago, Illinois and can be found on the Internet at <http://www.termemortgage.com> or via telephone at 866-386-4951.

Terme Bancorp, Inc. is headquartered at 5818 S. Archer, Rd. in Summit, Illinois and can be found on the Internet at <http://www.termebancorp.com>.

***As compared to the traditional HECM with a margin of 150 basis points, estimated as of April 4, 2007.**

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