

1/1 ARM
IMPORTANT ADJUSTABLE-RATE MORTGAGE LOAN INFORMATION
PLEASE READ CAREFULLY

This disclosure describes the features of the adjustable-rate mortgage (ARM) program you are considering.

- This loan program has an adjustable-rate feature. This means that your interest rate and payment amount can change. Information on other ARM programs is available upon request.

How Your Interest Rate and Payment is Determined

- Your interest rate will be based on an index plus a margin, rounded to the nearest .125 percent.
- Your monthly payment will be based on the interest rate, loan balance and remaining loan term.
- Your payment will be rounded to the nearest \$0.01.
- The interest rate will be based on the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year (1 Year Treasury Index) plus our margin, rounded to the nearest .125 percent. Please ask us for our current interest rates and margins.
- Information about the index is published weekly in The Wall Street Journal.
- The initial interest rate is not based on the index used to make later adjustments. Ask us for the current interest rate premium.
- Your Interest Rate will equal the index rate plus margin, rounded to the nearest .125 percent, unless your interest rate "caps" limit the amount of change in the interest rate.

How Your Interest Rate Can Change

- Your interest rate can change every **12** month(s).
- The limitation on increases and decreases to your interest rate at each adjustment will be set at an amount in the following range: between 1.000 and 2.000 percentage points at each adjustment. Ask us for our current lifetime interest rate caps.
- The limitation on increases to your interest rate over the term of the loan will be set at an amount in the following range: between 4.000 and 7.000 percentage points above the initial interest rate. Ask us for our current lifetime interest rate caps.
- The limitation on decreases to your interest rate over the term of the loan will be set at an amount in the following range: between 1.000 and 3.000 percentage points above the initial interest rate. Ask us for our current lifetime interest rate caps.

How Your Payment Can Change

- Your monthly payment can change every 12 payments(s) based on changes in the interest rate.
- Your monthly payment can increase or decrease substantially based on the changes in the interest rate.
- You will be notified in writing at least 210 days, but not more than 240 days, before the first payment at the adjusted level is due after the initial interest rate adjustment of the loan. In addition, you will be notified at least 60 days, but not more than 120 days, before the first payment at the adjusted level is due after any interest rate adjustment resulting in a corresponding payment change. These notices will contain information about your adjustment and interest rates, payment amount, and loan balance.
- You will pay the amount of your new monthly payment beginning on the first monthly payment date after the interest rate changes until the amount of your monthly payment changes again.

Interest Rate and Payment Change Example

For example, on a \$10,000 30-year loan with an initial interest rate of 5.000 in effect in March 2023 the maximum amount the interest rate can rise under this program is 6.000 percentage points to 11.000 percent and the monthly payment can rise from an initial payment of \$53.680 to a maximum of \$93.44 in the 37th (3 years, 1 month). This example is based on a periodic cap of 2.000 percentage point(s) and a lifetime cap of 6.000 percentage point(s) above the initial rate.

To see what your payment would be, divide your mortgage amount by \$10,000; then multiply the monthly payment by that amount (for example, the monthly payment for a mortgage amount of \$60,000 would be $\$60,000/\$10,000 = 6; 6 \times 53.68 = \322.08 per month).

This Disclosure does not represent a commitment by Creditor to make a loan to you. The specific terms of your prospective loan will be contained in your Note, Security Instrument and Federal Disclosures.

I/We hereby acknowledge receiving and reading a copy of this disclosure and the booklet entitled "Consumer Handbook on Adjustable Rate Mortgages."

Borrower **Date**

Co-Borrower **Date**