

# ARM PROGRAM DISCLOSURE

This disclosure describes the features of the adjustable-rate mortgage (ARM) program you are considering. Information on other ARM programs is available upon request.

## HOW YOUR INTEREST RATE AND PAYMENTS ARE DETERMINED

- Your interest rate will be based on an index plus a margin.
- Your payment will be based on the interest rate, loan balance, and loan term.
  - The interest rate will be based on: **The Weekly average Yield on United States Treasury securities adjusted to a constant maturity of 3 years, as made available by the Federal Reserve Board** (your index), plus our margin. Ask us for our current interest rate and margin.
  - Information about the index rate can be found: Federal Reserve Statistical Release H-15 (<https://www.federalreserve.gov/datadownload/Choose.aspx?rel=H.15>).

Your initial interest rate is not based on the index used to make later adjustments. Ask us for the current amount of our adjustable-rate mortgage discounts or premiums.

## HOW YOUR INTEREST RATE CAN CHANGE

- Your interest rate will not change for the first **84** months of your loan.
- After the first **84** months, your interest rate can change every **36** months.
- Each date on which your interest rate can change is called a "**Change Date**" and will be described in your loan documents.
- On each Change Date, your interest rate will equal the index plus the margin, rounded  up  down  up or down to the nearest **0.125%**, unless your interest rate "caps" or "floors" (described below) limit the amount of change in the interest rate.
- Your interest rate cannot increase or decrease more than **6.000** percentage points over the term of the loan.
- On the first Change Date, your interest rate cannot increase or decrease more than **2.000** percentage points above or below the initial interest rate.
- On the second Change Date and every Change Date thereafter, your interest rate cannot increase or decrease more than **2.000** percentage points.

## HOW YOUR PAYMENT CAN CHANGE

- Following the initial **84** months of your loan, your monthly payment can increase or decrease substantially every **36** months based on changes in the interest rate.
- Your new payment will be due beginning with the first payment due date after the Change Date on which the related interest rate change occurred, and will be your payment until the first payment due date after the next Change Date.
- For example, on a \$10,000, 30-year loan with an initial interest rate of **5.875%** (in effect **January 2026**) the maximum amount that the interest rate can rise under this program is **6.000** percentage points, to **11.875%** and the monthly payment can rise from a first-year payment of **\$59.15** to a maximum of **\$91.47** in the **14<sup>th</sup>** year. To see what your payments 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:  $\$60,000 \div \$10,000 = 6$ ;  $6 \times \$59.15 = \$354.90$  per month.)
- 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. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.
- You will be notified in writing at least **60** days, but not more than **120** days, before the first payment at the adjusted level is due after an interest rate adjustment resulting in a corresponding payment change. This

