

This disclosure describes the features of the Adjustable Rate Loan program you are considering.

* This loan program has an adjustable rate feature. This means that your interest rate and payment amount can change.

HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED

* For the first five years, your interest rate is fixed and is based on the Index at the time of consummation plus your Margin. Your Margin is determined by your Loan-to-Value (LTV) Ratio and Owner Occupancy. After the first five years, your rate will vary annually based on an Index in effect at that time plus your Margin, which can increase or decrease substantially from time to time.

* Your interest rate is based on the highest rate of interest identified as the "Prime Rate" in the "Money Rates" column of the Wall Street Journal plus your margin. Your Margin and resulting interest rate are determined by your LTV Ratio and Owner Occupancy. Please ask us for our current rates.

* Your monthly payment will be based on the interest rate, loan balance, and remaining loan term, with a minimum monthly payment of \$50.00.

* Your interest rate will equal the index rate plus margin, unless the interest rate caps explained below limit the amount of change in the interest rate.

HOW YOUR INTEREST RATE CAN CHANGE

* After the first five years, your rate may change annually if the Index has changed and if the rate caps explained below do not apply at the time of a scheduled rate change. Rate changes shall go into effect based on the Index at the end of the month of the anniversary month of your loan.

* Your interest rate cannot increase more than 1 percentage point per year.

* Your interest rate cannot increase by more than 6 percentage points over the term of the loan.

* Your interest rate will never be greater than 9.99% for Owner-Occupied loans and 10.99% for Non-Owner Occupied loans.

* Your interest rate will never be lower than 3.99% for Owner-Occupied loans and 4.99% for Non-Owner Occupied loans.

HOW YOUR PAYMENT CAN CHANGE

* After the first five years, your payment can change annually.

* Your periodic payment may increase or decrease substantially depending on changes in the rate.

* You will be notified in writing at least 210 days, but not more than 240 days, before the due date of the first payment at a new level. After that, you will be notified at least 60 days, but not more than 120 days, prior to new payments at new rates. Such notices will contain information about your interest rates, payment amount, and loan balance.

* For example:

On a \$10,000 30-year Owner Occupied loan with an initial interest rate of 4.24% as of September 2019, the maximum amount that the interest rate can attain under this program is 9.99%, and the monthly payment can rise from an initial payment of \$50.00 to a maximum of \$87.68.

*To see what your maximum payments would be based on the amount that you borrow, divide your mortgage amount by \$10,000; then multiply the monthly payments by that amount (for example, the maximum monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 / \$10,000 = 6$; $6 \times \$87.68 = \526.08 per month).

On a \$10,000 30-year Non-Owner Occupied loan with an initial interest rate of 4.99% as of September 2019, the maximum amount that the interest rate can attain under this program is 10.99%, and the monthly payment can rise from an initial payment of \$79.03 to a maximum of \$113.60.

*To see what your maximum payments would be based on the amount that you borrow, divide your mortgage amount by \$10,000; then multiply the monthly payments by that amount (for example, the maximum monthly payment for a mortgage amount of \$60,000 would be: $\$60,000 / \$10,000 = 6$; $6 \times \$113.60 = \681.16 per month).

This statement is not an offer to enter into an interest rate or discount point agreement.
You hereby acknowledge receipt of this Adjustable Rate Loan Predisclosure and a copy of the Consumer Handbook on Adjustable Rate Mortgages on today's date.

Borrower Signature Date

Co-Borrower Signature Date

Co-Borrower Signature Date