



**IMPORTANT ADJUSTABLE RATE MORTGAGE LOAN INFORMATION  
PLEASE READ CAREFULLY**

**LOAN PROGRAM DISCLOSURE FOR:  
5/1 AND 5/1 JUMBO TREASURY NON CONVERTIBLE ARM  
7/1 AND 7/1 JUMBO TREASURY NON CONVERTIBLE ARM  
7/1 First Time Home Buyer ARM**

This disclosure notice is given to you in connection with your application for an adjustable-rate mortgage loan with **Homefield Credit Union** ("lender"), and provides information that you should read. An adjustable rate mortgage loan ("ARM") is a type of loan that permits changes in the loan interest rate. Such changes generally are based on changes in an index, and normally result in an increase or decrease in the regular monthly payment. This disclosure notice describes the features of the ARM program you are considering. Information on other ARM programs is available upon request.

**How Your Interest Rate and Payment Are Determined**

- Your interest rate will be based on an index rate plus a margin.
- This ARM loan has a discount feature, and your initial interest rate will not be based on the index used for later adjustments. Please ask about our current discount amount.
- Your index is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year. If the index is no longer available at any time during the term of the loan, we (or the designated loan servicer) will choose a new index that is based upon comparable information and give you advance notice of this choice
- The most recent index figure available is 45 days before the adjustment date occurs will be used to determine your new interest rate. Information about the index rate is made available by the Federal Reserve Board.
- Your monthly payment will be based on the interest rate, loan balance, and the loan term.
- Your interest rate will equal the index rate, plus our margin, rounded to the nearest one-eighth of one percent (0.125%) unless interest rate "caps" limit the amount of change in the interest rate. Ask us for our current interest rate and margin.
- The initial interest rate will be discounted and will not be based on the index used to make later adjustments. Ask us for the current amount of our adjustable-rate mortgage discounts or premiums.
- The periodic payment may increase or decrease substantially depending on changes in the rate.

**How Your Interest Rate Can Change**

**Interest Rate Change Date for 5/1 AND 5/1 JUMBO TREASURY NON CONVERTIBLE ARM:** Your interest rate will not change for the first 5 years of the loan. Thereafter, the interest rate may change every year. Each date on which your interest rate can change is called a "Change Date."

**Interest Rate Change Date for 7/1 AND 7/1 JUMBO TREASURY NON CONVERTIBLE ARM, and 7/1 First Time Home Buyer ARM:** Your interest rate will not change for the first 7 years of the loan. Thereafter, the interest rate may change every year. Each date on which your interest rate can change is called a "Change Date."

## **INTEREST RATE CAPS FOR ALL ARM PROGRAMS**

- Your interest rate cannot increase or decrease more than **TWO** percentage points at the first rate adjustment.
- Your interest rate cannot increase or decrease more than **TWO** percentage points at each subsequent adjustment.
- Your interest rate cannot increase more than **SIX** percentage points above the initial interest rate and cannot decrease below the initial interest rate over the term of the loan.

## **HOW YOUR MONTHLY PAYMENT CAN CHANGE**

**Payment Change for 5/1 AND 5/1 JUMBO TREASURY NON CONVERTIBLE ARM:** your payment can change every **12** months beginning with payment number **61** based on changes in the interest rate.

**Payment Change for 7/1 AND 7/1 JUMBO TREASURY NON CONVERTIBLE ARM, and 7/1 First Time Home Buyer ARM:** your payment can change every **12** months beginning with payment number **85** based on changes in the interest rate.

**Payment Change Dates:** Your monthly payment can change after each interest rate adjustment based on changes in the interest rate.

**Payment Change Notice:** You will be notified at least 210, but no 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 also be notified at least 60, but no 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. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

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## **EXAMPLES**

**Example 5/1 ARM:**                      Loan Amount: \$10,000  
    Loan Term: 30 years  
    Initial Interest Rate: 6.50%  
    Margin: 2.75%\*  
    Index: 4.10%\*

The maximum amount that the interest rate can increase under this program is 6 percentage points to 12.50%. The monthly payment can increase from the initial payment of \$63.21 (for the first 5 years) to a maximum of \$106.73 in the eighty fifth month.

To see what your payments would be, divide your loan amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a loan amount of \$60,000 would be  $(\$60,000/\$10,000)=6$ , and  $(6 \times \$63.21) = \$379.26$  per month

**Example 7/1 ARM:**                      Loan Amount: \$10,000  
    Loan Term: 30 years  
    Initial Interest Rate: 6.875%  
    Margin: 2.75%\*  
    Index: 4.10%\*

The maximum amount that the interest rate can increase under this program is 6 percentage points to 12.875%. The monthly payment can increase from the initial payment of \$65.69 (for the first 7 years) to a maximum of \$109.64 in the one hundred and ninth month.

To see what your payments would be, divide your loan amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a loan amount of \$60,000 would be  $(\$60,000/\$10,000)=6$ , and  $(6 \times \$65.62) = \$393.72$  per month

**Example 7/1 FT HB ARM:**            Loan Amount: \$10,000  
   Loan Term: 30 years  
   Initial Interest Rate: 6.375%  
   Margin: 2.75%\*  
   Index: 4.10%\*

The maximum amount that the interest rate can increase under this program is 6 percentage points to 12.375%. The monthly payment can increase from the initial payment of \$62.39 (for the first 7 years) to a maximum of \$105.75 in the one hundred and ninth month.

To see what your payments would be, divide your loan amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a loan amount of \$60,000 would be  $(\$60,000/\$10,000)=6$ , and  $(6 \times \$62.39) = \$374.34$  per month

**Example 5/1 Jumbo ARM:**            Loan Amount: \$10,000  
   Loan Term: 30 years  
   Initial Interest Rate: 6.75%  
   Margin: 2.75%\*  
   Index: 4.10%\*

The maximum amount that the interest rate can increase under this program is 6 percentage points to 12.75%. The monthly payment can increase from the initial payment of \$64.86 (for the first 5 years) to a maximum of \$108.67 in the eighty fifth month.

To see what your payments would be, divide your loan amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a loan amount of \$60,000 would be  $(\$60,000/\$10,000)=6$ , and  $(6 \times \$64.86) = \$389.16$  per month

**Example 7/1 Jumbo ARM:**            Loan Amount: \$10,000  
   Loan Term: 30 years  
   Initial Interest Rate: 6.99%  
   Margin: 2.75%\*  
   Index: 4.10%\*

The maximum amount that the interest rate can increase under this program is 6 percentage points to 12.99%. The monthly payment can increase from the initial payment of \$66.46 (for the first 5 years) to a maximum of \$110.54 in the eighty fifth month.

To see what your payments would be, divide your loan amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a loan amount of \$60,000 would be  $(\$60,000/\$10,000)=6$ , and  $(6 \times \$66.46) = \$398.76$  per month

**Demand Feature:** This obligation does not contain a demand feature.

**Assumption Policy:** Someone buying your house may, subject to conditions, be allowed to assume the remainder of the mortgage based upon the original terms

**Loan Term:** This loan will have a term of 30 years.

\*This is an example only of an index and margin we have used recently; your margin and index may be different. Ask for our current margin value and index. Index is updated annually in August.

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**5y/6m, 7y/6m, 10y/6m,**  
**SOFR ADJUSTABLE RATE LOAN DISCLOSURE**  
**CONFORMING PRODUCT**

**THIS DISCLOSURE DESCRIBES THE FEATURES OF THE ADJUSTABLE-RATE MORTGAGE ("ARM") PROGRAM YOU ARE CONSIDERING. INFORMATION ON OTHER ARM PROGRAMS IS AVAILABLE UPON REQUEST.**

You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan.

#### **INTEREST RATE**

##### **How Your Interest Rate Is Determined**

- **Interest Rate.** Your Interest Rate will be based on an Index plus a Margin.
  
- **Initial Interest Rate.** The Interest Rate you will pay until the first Rate Change Date is called the Initial Interest Rate. Your Initial Interest Rate is discounted and is not based on the Index used to make later adjustments. A "discount" occurs when the Initial Interest Rate is less than the sum of the Index plus Margin. Ask us for the amount our adjustable rate mortgages are currently discounted.
  
- **Index.** The Index is known as the 30-day Average SOFR. Information about the Index is published by the Federal Reserve Bank of New York. If at some point in the future this Index is no longer available, the Lender will use a replacement as provided in the Note.
  
- **Margin.** Ask us for our current Interest Rate and Margin. The Index and Margin will be specified in the promissory note (the "Note") which evidences your ARM loan.

##### **How Your Interest Rate Can Change**

- **Rate Change Date.** The date on which your Interest Rate can be adjusted is called a "Rate Change Date." Your first Rate Change Date will occur on:
  - 5y/6m the first day of the 61<sup>st</sup> full month after your loan closing
  
  - 7y/6m the first day of the 85<sup>th</sup> full month after your loan closing
  
  - 10y/6m the first day of the 121<sup>st</sup> full month after your loan closing

At the first Rate Change Date, your Initial Interest Rate will be adjusted to reflect your new Interest Rate, subject to the below Interest Rate Cap. Subsequent Rate Change Dates will occur on the first day of every 6th calendar month thereafter.

- **Interest Rate Adjustments.** Your Interest Rate is determined by adding the Margin to the then-current Index and rounding to the nearest 1/8 of 1%. The most recent Index value available as of the date 45 days before each Change Date is called the Current Index.
- **Interest Rate Caps on:** On the First Rate Change Date, your Interest Rate cannot increase by more than two percentage points (2.0%) or decrease by more than two percentage points (2.0%). At any Subsequent Rate Change Date your Interest Rate will not increase or decrease by more than one percentage point (1.0%). Your Interest Rate will never be less than the Margin; and cannot increase by more than five percentage points (5.0%) over your Initial Interest Rate.
- **Rate Lock.** If you choose a rate lock option that provides for a floating rate, your Initial Interest Rate at closing may be different from the Interest Rate in effect at the time you apply for your loan. The amount of the discount may change as a result.

## PAYMENT

### How Your Monthly Payment Is Determined

Your payment amount is subject to change and will be based on the Interest Rate, loan balance and remaining loan term. Your initial payment will be set at an amount which will fully pay the accruing monthly interest at the Initial Interest Rate and reduce the principal so as to pay off the outstanding loan balance by the end of the loan term in equal monthly installments.

### How Your Monthly Payment Can Change

After your first Rate Change Date, your monthly payment can increase or decrease substantially every six months based on changes to the Interest Rate. Your monthly payment is subject to change and will be changed to an amount that will fully pay the accruing monthly interest and reduce the principal so as to pay off the outstanding loan balance by the end of the loan term in equal monthly installments at the then- applicable Interest Rate. Your new payment amount will be due on the first monthly payment date after a Rate Change Date.

The following examples are based on a \$10,000 loan with an initial interest rate used in August 2024. Column D indicates if the rate is a discounted rate. *Ask us whether our current interest rate has a discount and if so, the amount of discount.*

A	B	C	D	E	F	G	H
Arm Product	Loan Term	Initial Interest Rate	Discount	Initial Monthly Payment	Maximum Rate	The Monthly payment can increase from	To see what your payment would be, divide your mortgage amount by \$10,000; then multiply the amount in column E by that amount. For example:
5/6 ARM	30 Years	6.375%	Discount	\$62.39	11.375%	\$62.39 for the first 5 years to \$76.01 in the 6th year	The monthly payment for a mortgage amount of \$60,000 would be $\$60,000 \div \$10,000 = 6$ $6 \times \$62.39 = \$374.34$ per month
7/6 ARM	30 Years	6.750%	Discount	\$64.86	11.750%	\$64.86 for the first 7 years to \$78.67 in the 8th year	The monthly payment for a mortgage amount of \$60,000 would be $\$60,000 \div \$10,000 = 6$ $6 \times \$64.86 = \$389.16$ per month
10/6 ARM	30 Years	7.000%	Discount	\$66.53	12.000%	\$66.53 for the first 10 years to \$102.86 in the 11th year	The monthly payment for a mortgage amount of \$60,000 would be $\$60,000 \div \$10,000 = 6$ $6 \times \$66.53 = \$399.18$ per month

You will be notified in writing at least 60 but not more than 120 calendar days before each payment adjustment will be made. This notice will contain information about your Index, Interest Rate, payment amount, loan balance, and the date on which your first payment is due at the new amount. You may repay this loan in full at any time without penalty.

### APPLICANT ACKNOWLEDGEMENTS

You acknowledge that you must qualify for the proposed loan. Should you not qualify, your loan will not be approved to close. This is not a commitment to lend.

You and Lender become bound to the terms of the Note and Security Instrument upon signing these documents. Although either party subsequently may request modification of the contract, neither party is bound to agree to such a request. Since the Note and Security Instrument establish your rights, you should understand and become familiar with the provisions of these documents.

After having read the contents of the above ARM Disclosure, you acknowledge receipt of a copy of this ARM Disclosure and further acknowledge that this ARM Disclosure was completed in full prior to its receipt. You also acknowledge receipt of the Consumer Handbook on Adjustable Rate Mortgages.

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**1y/6m, 3y/6m, 5y/6m, 7y/6m, 10y/6m, 6m/6m, 5y/5y**

## **SOFR ADJUSTABLE RATE LOAN DISCLOSURE**

### **CONNECT PRODUCT**

**THIS DISCLOSURE DESCRIBES THE FEATURES OF THE ADJUSTABLE-RATE MORTGAGE ("ARM") PROGRAM YOU ARE CONSIDERING. INFORMATION ON OTHER ARM PROGRAMS IS AVAILABLE UPON REQUEST.**

You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan.

#### **INTEREST RATE**

##### **How Your Interest Rate Is Determined**

- **Interest Rate.** Your Interest Rate will be based on an Index plus a Margin.
- **Initial Interest Rate.** The Interest Rate you will pay until the first Rate Change Date is called the Initial Interest Rate. Your Initial Interest Rate is discounted and is not based on the Index used to make later adjustments. A "discount" occurs when the Initial Interest Rate is less than the sum of the Index plus Margin. Ask us for the amount our adjustable rate mortgages are currently discounted.
- **Index.** The Index is known as the 30-day Average SOFR. Information about the Index is published by the Federal Reserve Bank of New York. If at some point in the future this Index is no longer available, the Lender will use a replacement as provided in the Note.
- **Margin.** Ask us for our current Interest Rate and Margin. The Index and Margin will be specified in the promissory note (the "Note") which evidences your ARM loan.

##### **How Your Interest Rate Can Change**

- **Rate Change Date.** The date on which your Interest Rate can be adjusted is called a "Rate Change Date." Your first Rate Change Date will occur on:
  - 1y/6m the first day of the 13<sup>th</sup> full month after your loan closing
  - 3y/6m the first day of the 37<sup>th</sup> full month after your loan closing
  - 5y/6m the first day of the 61<sup>st</sup> full month after your loan closing

7y/6m the first day of the 85th full month after your loan closing  
10y/6m the first day of the 121st full month after your loan closing  
6m/6m the first day of the 7<sup>th</sup> full month after your loan closing  
5y/5m the first day of the 61<sup>st</sup> full month after your loan closing

At the first Rate Change Date, your Initial Interest Rate will be adjusted to reflect your new Interest Rate, subject to the below Interest Rate Cap. Subsequent Rate Change Dates will occur on the first day of every 6th calendar month thereafter for all listed products with the exception of the 5y/5y program which will occur on the 1st day of every 5<sup>th</sup> calendar year thereafter.

- **Interest Rate Adjustments.** Your Interest Rate is determined by adding the Margin to the then-current Index and rounding to the nearest 1/8 of 1%. The most recent Index value available as of the date 45 days before each Change Date is called the Current Index.
- **Interest Rate Caps on:** 1y/6m, 3y/6m, 5y/6m, 5y/5m, and 6m/6m On the First Rate Change Date, your Interest Rate cannot increase by more than two percentage points (2.0%) or decrease by more than two percentage points (2.0%). At any Subsequent Rate Change Date your Interest Rate will not increase or decrease by more than one percentage point (1.0%). Your Interest Rate will never be less than the Margin; and cannot increase by more than five percentage points (5.0%) over your Initial Interest Rate.
- **Interest Rate Caps on:** 7y/6m, 10y/6m On the First Rate Change Date, your Interest Rate cannot increase by more than two percentage points (2.0%) or decrease by more than two percentage points (2.0%). At any Subsequent Rate Change Date your Interest Rate will not increase or decrease by more than one percentage point (1.0%). Your Interest Rate will never be less than the Margin; and cannot increase by more than five percentage points (5.0%) over your Initial Interest Rate.
- **Rate Lock.** If you choose a rate lock option that provides for a floating rate, your Initial Interest Rate at closing may be different from the Interest Rate in effect at the time you apply for your loan. The amount of the discount may change as a result.

## PAYMENT

### How Your Monthly Payment Is Determined

Your payment amount is subject to change and will be based on the Interest Rate, loan balance and remaining loan term. Your initial payment will be set at an amount which will fully pay the accruing monthly interest at the Initial Interest Rate and reduce the principal so as to pay off the outstanding loan balance by the end of the loan term in equal monthly installments.

### How Your Monthly Payment Can Change

After your first Rate Change Date, your monthly payment can increase or decrease substantially every six months based on changes to the Interest Rate. Your monthly payment is subject to change and will be changed to an amount that will fully pay the accruing monthly interest and reduce the principal so as to pay off the outstanding loan balance by the end of the loan term in equal monthly installments at the then-applicable Interest Rate. Your new payment amount will be due on the first monthly payment date after a Rate Change Date.

The following examples are based on a \$10,000 loan with an initial interest rate used in August 2024. Column D indicates if the rate is a discounted rate. *Ask us whether our current interest rate has a discount and if so, the amount of discount.*

A	B	C	D	E	F	G	H
Arm Product	Loan Term	Initial Interest Rate	Discount	Initial Monthly Payment	Maximum Rate	The Monthly payment can increase from	To see what your payment would be, divide your mortgage amount by \$10,000; then multiply the amount in column E by that amount. For example:
1/6 ARM	30 Years	5.875%	Discount	\$59.15	10.875%	\$59.15 for the first 1 year to \$72.51 in the 2nd year	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
3/6 ARM	30 Years	6.625%	Discount	\$64.03	11.625%	\$64.03 for the first 3 years to \$77.78 in the 4th year	The monthly payment for a mortgage amount of \$60,000 would be $\$60,000 \div \$10,000 = 6$ $6 \times \$64.03 = \$384.18$ per month
5/5 ARM	30 Years	6.000%	Discount	\$59.96	11.000%	\$59.96 for the first 5 years to \$73.38 in the 6th year	The monthly payment for a mortgage amount of \$60,000 would be $\$60,000 \div \$10,000 = 6$ $6 \times \$59.96 = \$359.76$ per month
5/6 ARM	30 Years	6.375%	Discount	\$62.39	11.375%	\$62.39 for the first 5 years to \$76.01 in the 6th year	The monthly payment for a mortgage amount of \$60,000 would be $\$60,000 \div \$10,000 = 6$ $6 \times \$62.39 = \$374.34$ per month
7/6 ARM	30 Years	6.500%	Discount	\$63.21	11.500%	\$63.21 for the first 7 years to \$99.03 in the 8th year	The monthly payment for a mortgage amount of \$60,000 would be $\$60,000 \div \$10,000 = 6$ $6 \times \$63.21 = \$379.26$ per month
10/6 ARM	30 Years	7.000%	Discount	\$66.53	12.000%	\$66.53 for the first 10 years to \$102.86 in the 11th year	The monthly payment for a mortgage amount of \$60,000 would be $\$60,000 \div \$10,000 = 6$ $6 \times \$66.53 = \$399.18$ per month
6/6 ARM	30 Years	5.750%	Discount	\$58.52	10.750%	\$58.52 for the first 6 months to \$71.64 in the 7th month	The monthly payment for a mortgage amount of \$60,000 would be $\$60,000 \div \$10,000 = 6$ $6 \times \$58.52 = \$351.12$ per month

You will be notified in writing at least 60 but not more than 120 calendar days before each payment adjustment will be made. This notice will contain information about your Index, Interest Rate, payment amount, loan balance, and the date on which your first payment is due at the new amount. You may repay this loan in full at any time without penalty.

#### APPLICANT ACKNOWLEDGEMENTS

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become familiar with the provisions of these documents.

After having read the contents of the above ARM Disclosure, you acknowledge receipt of a copy of this ARM Disclosure and further acknowledge that this ARM Disclosure was completed in full prior to its receipt. You also acknowledge receipt of the Consumer Handbook on Adjustable Rate Mortgages.