

To expedite the processing of your application, please include the following items.

- Sales Agreement (for purchase money mortgages)
- Copy of Deed
- Copy of Paid Real Estate Tax Receipts
- Copy of Homeowners Insurance Policy
- Income Tax Information (past two years including W-2s)
- Most Recent Pay stubs (for prior month)
- Statement of Proof of Down Payment (for purchase money mortgages)

If you have any questions, please contact one of our Consumer Loan Officers.

Elderton Office

Diane S. Henderson
NMLS 441214
(724)354-2111

Elizabeth A. Armstrong
NMLS 1626473
(724)354-2111

Rural Valley Office

Gail Y. Meyer
NMLS 441228
(724)783-2111

Cory D. Fulmer
NMLS 981528
(724)783-2111

North Apollo Office

Pamela S. Cricks
NMLS 1433772
(724)478-2111

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower," as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the Borrower (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower		Co-Borrower	
I. TYPE OF MORTGAGE AND TERMS OF LOAN			
Mortgage Applied for:	<input type="checkbox"/> VA <input type="checkbox"/> FHA	<input type="checkbox"/> Conventional <input type="checkbox"/> USDA/Rural Housing Service	Lender Case Number
Amount	Interest Rate	Amortization Type:	Agency Case Number

\$	%	No. of Months	Fixed Rate	Other (explain):
			GPM	ARM (type):

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state & ZIP) _____ No. of Units _____

Legal Description of Subject Property (attach description if necessary) _____ Year Built _____

Purpose of Loan

<input type="checkbox"/> Purchase Refinance	<input type="checkbox"/> Construction	<input type="checkbox"/> Other (explain):
<input type="checkbox"/> Refinance	<input type="checkbox"/> Construction-Permanent	

Property will be: Primary Residence Secondary Residence Investment

Complete this line if construction or construction-permanent loan.

Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a + b)
\$	\$	\$	\$	\$	\$

Complete this line if this is a refinance loan.

Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements	<input type="checkbox"/> made <input type="checkbox"/> to be made
\$	\$	\$		Cost: \$	

Title will be held in what Name(s) _____

Manner in which Title will be held Fee Simple Leasehold (show expiration date)

Source of Down Payment, Settlement Charges, and/or Subordinate Financing (explain) _____

Borrower

Borrower's Name (include Jr. or Sr. if applicable) _____

III. BORROWER INFORMATION

Co-Borrower's Name (include Jr. or Sr. if applicable) _____

Social Security Number	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School	Home Phone (incl. area code)	DOB (mm/dd/yyyy)	Yrs. School
Married <input type="checkbox"/>	Unmarried (include single, divorced, widowed) <input type="checkbox"/>	Dependents (not listed by Co-Borrower) no. _____	ages _____	Married <input type="checkbox"/>	Unmarried (include single, divorced, widowed) <input type="checkbox"/>	Dependents (not listed by Borrower) no. _____
Separated <input type="checkbox"/>				Separated <input type="checkbox"/>		

Present Address (street, city, state, ZIP) _____ Own Rent No. Yrs. _____

Former Address (street, city, state, ZIP) _____ Own Rent No. Yrs. _____

Mailing Address, if different from Present Address _____

Former Address (street, city, state, ZIP) _____ Own Rent No. Yrs. _____

If residing at present address for less than two years, complete the following:

Former Address (street, city, state, ZIP) _____ Own Rent No. Yrs. _____

Borrower

Name & Address of Employer _____ Yrs. on this job _____

Self Employed

Yrs. employed in this line of work/profession _____

Position/Title/Type of Business _____ Business Phone (incl. area code) _____

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Name & Address of Employer _____ Dates (from - to) _____

Self Employed

Monthly Income \$ _____

Position/Title/Type of Business _____ Business Phone (incl. area code) _____

Name & Address of Employer _____ Dates (from - to) _____

Self Employed

Monthly Income \$ _____

Position/Title/Type of Business _____ Business Phone (incl. area code) _____

VI. ASSETS AND LIABILITIES (cont'd)

Schedule of Real Estate Owned (If additional properties are owned, use continuation sheet.)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
		\$	\$	\$	\$	\$	\$
Totals		\$	\$	\$	\$	\$	\$

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name: _____ Creditor Name: _____ Account Number: _____

VII. DETAILS OF TRANSACTION

	Borrower	Co-Borrower
a. Purchase price	\$	
b. Alterations, improvements, repairs		
c. Land (if acquired separately)		
d. Refinance (incl. debts to be paid off)		
e. Estimated prepaid items		
f. Estimated closing costs		
g. PMI, MIP, Funding Fee		
h. Discount (if Borrower will pay)		
i. Total costs (add items a through h)		
j. Subordinate financing		
k. Borrower's closing costs paid by Seller		
l. Other Credits (explain)		
m. Loan amount (exclude PMI, MIP, Funding Fee financed)		
n. PMI, MIP, Funding Fee financed		
o. Loan amount (add m & n)		
p. Cash from/to Borrower (subtract j, k, l & o from l)		

VIII. DECLARATIONS

If you answer "Yes" to any questions a through i, please use continuation sheet for explanation.

a. Are there any outstanding judgments against you?

b. Have you been declared bankrupt within the past 7 years?

c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years?

d. Are you a party to a lawsuit?

e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name, and address of Lender, FHA or VA case number, if any, and reasons for the action.)

f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee?

g. Are you obligated to pay alimony, child support, or separate maintenance?

h. Is any part of the down payment borrowed?

i. Are you a co-maker or endorser on a note?

j. Are you a U.S. citizen?

k. Are you a permanent resident alien?

Do you intend to occupy the property as your primary residence?

l. If "Yes," complete question m below.

m. Have you had an ownership interest in a property in the last three years?

(1) What type of property did you own—principal residence (PR), second home (SH), or investment property (IP)?

(2) How did you hold title to the home—by yourself (S), jointly with your spouse (SP), or jointly with another person (O)?

IX. ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the Loan is approved; (7) the Lender and its agents, brokers, insurers, successors, and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature. Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or verify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate business purpose through any source, including a source named in this application or a consumer reporting agency.

Borrower's Signature: _____ Date: _____

Co-Borrower's Signature: Date: _____

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

Borrower	Co-Borrower
I do not wish to furnish this information	
Ethnicity:	Ethnicity:
<input type="checkbox"/> Hispanic or Latino	<input type="checkbox"/> Hispanic or Latino
<input type="checkbox"/> Not Hispanic or Latino	<input type="checkbox"/> Not Hispanic or Latino
Race:	Race:
<input type="checkbox"/> American Indian or Alaska Native	<input type="checkbox"/> American Indian or Alaska Native
<input type="checkbox"/> Black or African American	<input type="checkbox"/> Black or African American
<input type="checkbox"/> Native Hawaiian or Other Pacific Islander	<input type="checkbox"/> Native Hawaiian or Other Pacific Islander
<input type="checkbox"/> White	<input type="checkbox"/> White
Sex:	Sex:
<input type="checkbox"/> Female	<input type="checkbox"/> Female
<input type="checkbox"/> Male	<input type="checkbox"/> Male

To be Completed by Loan Originator:

This information was provided: in a face-to-face interview in a telephone interview By the applicant and submitted via e-mail or the Internet

Loan Originator's Signature: _____ Date: _____

Loan Originator's Name (print or type): _____ Loan Originator Identifier: _____

Loan Originator's Name: _____ Loan Originator Company Identifier: _____

Loan Originator's Phone Number (including area code): _____ Loan Originator Company's Address: _____

CONTINUATION SHEET/RESIDENTIAL LOAN APPLICATION

Use this continuation sheet if you need more space to complete the Residential Loan Application. Mark **B** for Borrower or **C** for Co-Borrower.

Borrower:

Co-Borrower:

Agency Case Number:

Lender Case Number:

I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 18, United States Code, Section 1001, et seq.

Borrower's Signature

Date

Co-Borrower's Signature

Date

X

X

Demographic Information Addendum.

This section asks about your ethnicity, sex, and race.

Demographic Information of Borrower

The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." **The law provides that we may not discriminate** on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application. If you do not wish to provide some or all of this information, please check below.

Ethnicity: Check one or more

- Hispanic or Latino
 Mexican Puerto Rican Cuban
 Other Hispanic or Latino – Print origin: _____

For example: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.

- Not Hispanic or Latino
 I do not wish to provide this information

Sex

- Female
 Male
 I do not wish to provide this information

Race: Check one or more

- American Indian or Alaska Native – Print name of enrolled or principal tribe: _____
 Asian
 Asian Indian Chinese Filipino
 Japanese Korean Vietnamese
 Other Asian – Print race: _____

For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.

- Black or African American
 Native Hawaiian or Other Pacific Islander
 Native Hawaiian Guamanian or Chamorro Samoan
 Other Pacific Islander – Print race: _____

For example: Fijian, Tongan, and so on.

- White
 I do not wish to provide this information

To Be Completed by Financial Institution (for application taken in person):

- Was the ethnicity of the Borrower collected on the basis of visual observation or surname? NO YES
 Was the sex of the Borrower collected on the basis of visual observation or surname? NO YES
 Was the race of the Borrower collected on the basis of visual observation or surname? NO YES

The Demographic Information was provided through:

- Face-to-Face Interview (includes Electronic Media w/ Video Component) Telephone Interview Fax or Mail Email or Internet

Borrower Name:

Uniform Residential Loan Application
 Freddie Mac Form 65 • Fannie Mae Form 1003

Revised 09/2017

ITEM 7300ADD (03/2017)

Demographic Information Addendum.

This section asks about your ethnicity, sex, and race.

Demographic Information of Borrower

The purpose of collecting this information is to help ensure that all applicants are treated fairly and that the housing needs of communities and neighborhoods are being fulfilled. For residential mortgage lending, Federal law requires that we ask applicants for their demographic information (ethnicity, sex, and race) in order to monitor our compliance with equal credit opportunity, fair housing, and home mortgage disclosure laws. You are not required to provide this information, but are encouraged to do so. You may select one or more designations for "Ethnicity" and one or more designations for "Race." **The law provides that we may not discriminate** on the basis of this information, or on whether you choose to provide it. However, if you choose not to provide the information and you have made this application in person, Federal regulations require us to note your ethnicity, sex, and race on the basis of visual observation or surname. The law also provides that we may not discriminate on the basis of age or marital status information you provide in this application. If you do not wish to provide some or all of this information, please check below.

Ethnicity: *Check one or more*

- Hispanic or Latino
 Mexican Puerto Rican Cuban
 Other Hispanic or Latino – *Print origin:*

For example: Argentinian, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.

- Not Hispanic or Latino
 I do not wish to provide this information

Sex

- Female
 Male
 I do not wish to provide this information

Race: *Check one or more*

- American Indian or Alaska Native – *Print name of enrolled or principal tribe:*
 Asian
 Asian Indian Chinese Filipino
 Japanese Korean Vietnamese
 Other Asian – *Print race:*
For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.

- Black or African American
 Native Hawaiian or Other Pacific Islander
 Native Hawaiian Guamanian or Chamorro Samoan
 Other Pacific Islander – *Print race:*

For example: Fijian, Tongan, and so on.

- White
 I do not wish to provide this information

To Be Completed by Financial Institution (for application taken in person):

- Was the ethnicity of the Borrower collected on the basis of visual observation or surname? NO YES
Was the sex of the Borrower collected on the basis of visual observation or surname? NO YES
Was the race of the Borrower collected on the basis of visual observation or surname? NO YES

The Demographic information was provided through:

- Face-to-Face Interview (includes Electronic Media w/ Video Component) Telephone Interview Fax or Mail Email or Internet

Borrower Name:

Uniform Residential Loan Application
Freddie Mac Form 65 • Fannie Mae Form 1003
Revised 09/2017

ITEM 7300ADD (09/2017)

EARLY ARM DISCLOSURE STATEMENT

Applicant:

Lender:

Elderton State Bank
Elderton Office
143 N Main St
PO Box 427
Elderton, PA 15736

Originator NWLRSR ID: 1626473
Origination Co. NWLRSR ID: 422058

ADJUSTABLE RATE MORTGAGE ("ARM") IMPORTANT MORTGAGE LOAN INFORMATION -- PLEASE READ CAREFULLY PROGRAM NAME: 3-YEAR ADJUSTABLE RATE MORTGAGE (ARM)

If you wish to apply for an Adjustable Rate Mortgage loan (referred to in this disclosure as an "ARM") with ELDERTON STATE BANK (referred to in this disclosure as "we," "us," "our" or "Lender"), you should read the information below concerning the differences between this ARM program and other mortgage loan programs with which you may be familiar. This disclosure describes the features of the specific ARM that you are considering. Upon your request, we will provide you with information about any other Adjustable Rate Mortgage programs we offer.

GENERAL DESCRIPTION OF AN ADJUSTABLE RATE MORTGAGE LOAN. This loan is an Adjustable Rate Mortgage loan. The applicable interest rate may change from time to time based upon the movements of an interest rate index. This ARM program is based on the terms and conditions set forth in this disclosure and in the loan documents. We have based this disclosure on recent interest rates, index and margin values, and fees. Ask us for our current interest rate and margin.

You should read carefully this disclosure and the promissory note, deed of trust or mortgage, any riders and all other documents that you will be asked to sign if we offer an ARM to you and you accept it. This disclosure is not a contract or a loan commitment. However, the loan documents once signed will be a contract between you and us. The matters discussed in this disclosure are subject to change by us at any time without notice.

HOW YOUR INTEREST RATE IS DETERMINED. Your interest rate will be determined by means of an index that may change from time to time.

The Index. The interest rate charged under this ARM program will be based on an interest rate index (referred to in this disclosure as the "Index"). The Index is the Three-Year Treasury Constant Maturity Nominal Average Weekly Yield. Information about this Index is available on the Federal Reserve's website at www.federalreserve.gov/releases/h15/update/. If the Index is no longer available, we will choose a new index that is based upon comparable information.

Interest Rate. The interest rate is based on the Index value, plus a margin. A change in the Index generally will result in a change in the interest rate. The amount that your interest rate may change also may be affected by periodic interest rate change limitations and any minimum or maximum interest rate limits, as discussed below.

Interest Rate Adjustments. Your interest rate under this ARM program can change every 36 months. Your interest rate cannot increase or decrease more than 2,000 percentage points at each adjustment. However, under no circumstances will your interest rate increase more than 5,000 percentage points or go below the higher of the margin or 4,000% per annum at any time during the term of your loan.

Initial Interest Rate Discount. Your initial interest rate will be discounted and will not be based on the Index used to make later adjustments. You should note, however, that because your initial interest rate will be discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. Ask us for the current interest rate discount under this ARM program.

HOW YOUR PAYMENTS ARE DETERMINED. Your monthly payment of principal and interest will be determined based on the interest rate, loan term, and loan balance. If your interest rate changes, your payment will be adjusted to fully amortize the loan by the end of the loan term.

Frequency of Payment Changes. Based on increases or decreases in the Index, payment amounts under this ARM program can change every 36 months.

Payment Example. Your payment may increase or decrease substantially depending on changes in the interest rate. For example, on a \$10,000, 30-year loan with an initial interest rate of 4.660% (the index rate in effect November 2018, plus a margin of 1.750%), the maximum amount that the interest rate can rise under this program is 5,000 percentage points to 9.660%, and the monthly payment can rise from an initial payment of \$51.64 to a maximum of \$80.78 in the tenth year.

Note: 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 divided by \$10,000 = 6; 6 X \$51.64 = \$309.84 monthly.)

Adjustment 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 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 adjustments resulting in a corresponding payment change. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

APPLICANT ACKNOWLEDGMENT

The Applicant, having read the contents of the above disclosure, acknowledges receipt of this Disclosure and further acknowledges that this Disclosure was completed in full prior to its receipt. The Applicant also acknowledges receipt of the handbook entitled "Consumer Handbook on Adjustable Rate Mortgages."

APPLICANT:

X _____ (Seal) _____ Date
Applicant

X _____ (Seal) _____ Date
Applicant

EARLY ARM DISCLOSURE STATEMENT

Applicant:

Lender:

Elderton State Bank
Elderton Office
143 N Main St
PO Box 427
Elderton, PA 15736

Originator NMLSR ID: 1626473
Origination Co. NMLSR ID: 422058

ADJUSTABLE RATE MORTGAGE ("ARM") IMPORTANT MORTGAGE LOAN INFORMATION -- PLEASE READ CAREFULLY PROGRAM NAME: 10/5 ADJUSTABLE RATE MORTGAGE (ARM)

If you wish to apply for an Adjustable Rate Mortgage loan (referred to in this disclosure as an "ARM") with ELDERTON STATE BANK (referred to in this disclosure as "we," "us," "our" or "Lender"), you should read the information below concerning the differences between this ARM program and other mortgage loan programs with which you may be familiar. This disclosure describes the features of the specific ARM that you are considering. Upon your request, we will provide you with information about any other Adjustable Rate Mortgage programs we offer.

GENERAL DESCRIPTION OF AN ADJUSTABLE RATE MORTGAGE LOAN. This loan is an Adjustable Rate Mortgage loan. The applicable interest rate may change from time to time based upon the movements of an interest rate index. This ARM program is based on the terms and conditions set forth in this disclosure and in the loan documents. We have based this disclosure on recent interest rates, index and margin values, and fees. Ask us for our current interest rate and margin.

You should read carefully this disclosure and the promissory note, deed of trust or mortgage, any riders and all other documents that you will be asked to sign if we offer an ARM to you and you accept it. This disclosure is not a contract or a loan commitment. However, the loan documents once signed will be a contract between you and us. The matters discussed in this disclosure are subject to change by us at any time without notice.

HOW YOUR INTEREST RATE IS DETERMINED. Your interest rate will be determined by means of an index that may change from time to time.

The Index. The interest rate charged under this ARM program will be based on an interest rate index (referred to in this disclosure as the "Index"). The Index is the Five-Year Treasury Constant Maturity Nominal Average Weekly Yield. Information about this Index is available on the Federal Reserve's website at www.federalreserve.gov/releases/h15/update/. If the Index is no longer available, we will choose a new index that is based upon comparable information.

Interest Rate. The interest rate is based on the Index value, plus a margin. A change in the Index generally will result in a change in the interest rate. The amount that your interest rate may change also may be affected by periodic interest rate change limitations and any minimum or maximum interest rate limits, as discussed below.

Interest Rate Adjustments. Your interest rate under this ARM program can change every 60 months. Your interest rate cannot increase or decrease more than 2.000 percentage points at each adjustment. However, under no circumstances will your interest rate increase more than 5.000 percentage points or go below the higher of the margin or 4.990% per annum at any time during the term of your loan.

Initial Interest Rate Discount. Your initial interest rate will be discounted and will not be based on the Index used to make later adjustments. You should note, however, that because your initial interest rate will be discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. Ask us for the current interest rate discount under this ARM program.

HOW YOUR PAYMENTS ARE DETERMINED. Your monthly payment of principal and interest will be determined based on the interest rate, loan term, and loan balance. If your interest rate changes, your payment will be adjusted to fully amortize the loan by the end of the loan term.

Frequency of Payment Changes. Based on increases or decreases in the Index, payment amounts under this ARM program can change every 60 months.

Payment Example. Your payment may increase or decrease substantially depending on changes in the interest rate. For example, on a \$10,000, 30-year loan with an initial interest rate of 5.240% (the initial interest rate in effect November 2018, which is not based on the index in effect for November 2018), the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 10.240%, and the monthly payment can rise from an initial payment of \$55.18 to a maximum of \$76.12 in the twenty-first year.

Note: 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 divided by \$10,000 = 6; 6 X \$55.18 = \$331.08 monthly.)

Adjustment 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 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 adjustments resulting in a corresponding payment change. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

APPLICANT ACKNOWLEDGMENT

The Applicant, having read the contents of the above disclosure, acknowledges receipt of this Disclosure and further acknowledges that this Disclosure was completed in full prior to its receipt. The Applicant also acknowledges receipt of the handbook entitled "Consumer Handbook on Adjustable Rate Mortgages."

APPLICANT:

X Applicant _____ (Seal) _____ Date _____

X Applicant _____ (Seal) _____ Date _____