

DATE:
 BORROWER:
 LOAN #:
 PROPERTY ADDRESS:

**ADJUSTABLE RATE MORTGAGE (ARM) DISCLOSURE
 1 Year LIBOR - Portfolio Conforming 5/1 ARM**

This disclosure describes the features of an Adjustable Rate Mortgage (ARM) program you are considering. Information about our other ARM programs will be provided upon request. This disclosure does not constitute a commitment to make a loan to you. If you eventually obtain a loan, the note, security instrument and related documents will establish your legal rights and obligations regarding this loan.

HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED	
<ul style="list-style-type: none"> After the first five years, your interest rate will be based on an index rate plus a margin. Please ask us for our current interest rate and margin. The Index is the average interbank offered rates for one year U.S. Dollar denominated deposits in the London Market ("LIBOR") as published in the Wall Street Journal. Your initial interest rate is not based on the index used to make later adjustments. If the initial interest rate is below the sum of the then-current index plus margin ("the fully indexed rate"), then the initial rate will be a "discounted" interest rate. If the initial interest rate is above the fully indexed rate, then it will be a "premium" interest rate. Please ask us for the amount of our current interest rate discounts and premiums. 	
5 YEAR FIXED PA51	
How Your Interest Rate Can Change	
Your Interest Rate can change:	After 5 years and annually thereafter.
Each time your interest rate changes, the new interest rate will equal the sum of the index plus the margin, subject to the following limits:	<ul style="list-style-type: none"> Your interest rate will be rounded to the nearest 1/8%. On the first change date, your interest rate will not increase or decrease by more than 2.00%. On each subsequent change date, your interest rate will not increase or decrease by more than 2.00%. Your interest rate will not increase by more than 5.00% over the term of the loan.
How Your Payment Can Change	
Your payment can change:	
	The examples below illustrate interest rate and payment changes based on a \$10,000, 30-year loan . These examples use an initial interest rate in effect on the 3rd day of January, 2017, and assume the maximum periodic increases in rates and payments.
Examples of loans with a discounted interest rate (below sum of index and margin)	
Initial Interest Rate	3.750 %
Maximum Interest Rate	8.750 %
Initial Monthly Payment	\$ 46.31
Maximum Monthly Payment	\$ 73.39 in the 8th year
Examples of loans with a fully-indexed interest rate (sum of index and margin)	
<ol style="list-style-type: none"> Index as of January 03, 2017 is 1.686%. The index in effect at the time the initial interest rate is established for your loan may be different. The initial interest rate on your loan may be lower than, equal to or higher than the rate that is based on the index. Margin of 2.750 percentage points. This is a margin we have used recently. Your margin may be different. 	
Initial Interest Rate	4.375 %
Maximum Interest Rate	9.375 %
Initial Monthly Payment	\$ 49.93
Maximum Monthly Payment	\$ 78.05 in the 8th year
<p>NOTE: 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 \$60,000 5-year fixed loan with a premium interest rate would be \$60,000 / \$10,000 = 6; 6 x \$46.31 = \$277.86 per month.)</p>	
_____ Signature -	_____ Date
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