

# Adjustable Rate Mortgage Program Disclosure

## Adjustable Rate Mortgage Program Disclosure 5 Year

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### Lender

Peoples Bank  
408 W. Washington Street  
Cuba, MO 65453

**Date:** January 1, 2021

This disclosure describes the features of the Adjustable Rate Mortgage (“ARM”) program you are considering. Information on other ARM programs is available upon request.

- 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**

- Your interest rate will be based on an index plus a margin.
- Your monthly payment will be based on the interest rate, loan balance, and remaining loan term.
- Your payment will be rounded to the nearest \$0.01.
- Your interest rate will be based on the weekly average yield on United States Treasury securities adjusted to a constant maturity of five years (5 Year Treasury Index) plus our margin. Ask us for our current interest rate and margin.
- Information about the index is published weekly in the Wall Street Journal.
- Your interest rate will be based on an index plus a margin, unless your interest rate "caps" limit the amount of change in the interest rate.

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

- Your interest rate can change every 12 months, after remaining fixed for 62 months.
- Your interest rate cannot increase or decrease more than 2 percentage point(s) at each adjustment.
- Your interest rate cannot increase more than 5.00 percentage point(s) above the initial interest rate over the term of the loan.
- Your interest rate will never be less than the initial rate.

### **How Your Payment Can Change**

- Your payment can change every 12 payment(s) based on changes in the interest rate after remaining fixed for 62 payment(s).
- Your monthly payment may increase or decrease substantially based on changes in the interest rate.
- You will be notified in writing at least 210 days, 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 your interest rate, payment amount, and loan balance.
- You will be notified in writing at least 60 days but no more than 120 days before the due date of a payment at a new level resulting from a change in the interest rate. This notice will contain information about your interest rates, payment amount, and loan balance.
- For example, on a \$10,000 180-month loan with an initial interest rate of 4.37% in effect January, 2021, the maximum amount that the interest rate can rise under this program is 5 percentage points to 9.37% in month 87 (7 year(s), 3 month(s)), and the monthly payment can rise from an initial payment of \$75.84 to a maximum of \$93.01 on the 87th monthly payment. This example is based on a periodic cap of 2 percentage point(s) and a lifetime cap of 5 percentage point(s) above the initial rate. 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:  $\$60,000 / \$10,000 = 6$ ;  $6 \times \$75.84 = \$455.04$  per month).

**Notice**

This is not a commitment to make a loan.

# Adjustable Rate Mortgage Program Disclosure

## Adjustable Rate Mortgage Program Disclosure 7 Year

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### Lender

Peoples Bank  
408 W. Washington Street  
Cuba, MO 65453

**Date:** January 1, 2021

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- 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**

- Your interest rate will be based on an index plus a margin.
- Your monthly payment will be based on the interest rate, loan balance, and remaining loan term.
- Your payment will be rounded to the nearest \$0.01.
- Your interest rate will be based on the weekly average yield on United States Treasury securities adjusted to a constant maturity of five years (5 Year Treasury Index) plus our margin. Ask us for our current interest rate and margin.
- Information about the index is published weekly in the Wall Street Journal.
- Your interest rate will be based on an index plus a margin, unless your interest rate "caps" limit the amount of change in the interest rate.

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

- Your interest rate can change every 12 months, after remaining fixed for 84 months.
- Your interest rate cannot increase or decrease more than 2 percentage point(s) at each adjustment.
- Your interest rate cannot increase more than 5.00 percentage point(s) above the initial interest rate over the term of the loan.
- Your interest rate will never be less than the initial rate.

### **How Your Payment Can Change**

- Your payment can change every 12 payment(s) based on changes in the interest rate after remaining fixed for 84 payment(s).
- Your monthly payment may increase or decrease substantially based on changes in the interest rate.
- You will be notified in writing at least 210 days, 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 your interest rate, payment amount, and loan balance.
- You will be notified in writing at least 60 days but no more than 120 days before the due date of a payment at a new level resulting from a change in the interest rate. This notice will contain information about your interest rates, payment amount, and loan balance.
- For example, on a \$10,000 180-month loan with an initial interest rate of 4.37% in effect January, 2021, the maximum amount that the interest rate can rise under this program is 5 percentage points to 9.37% in month 109 (9 year(s), 1 month(s)), and the monthly payment can rise from an initial payment of \$75.84 to a maximum of \$89.60 on the 109th monthly payment. This example is based on a periodic cap of 2 percentage point(s) and a lifetime cap of 5 percentage point(s) above the initial rate. 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:  $\$60,000 / \$10,000 = 6$ ;  $6 \times \$75.84 = \$455.04$  per month).

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# Adjustable Rate Mortgage Program Disclosure

## Adjustable Rate Mortgage Program Disclosure 8 Year

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### Lender

Peoples Bank  
408 W. Washington Street  
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**Date:** January 1, 2021

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- 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**

- Your interest rate will be based on an index plus a margin.
- Your monthly payment will be based on the interest rate, loan balance, and remaining loan term.
- Your payment will be rounded to the nearest \$0.01.
- Your interest rate will be based on the weekly average yield on United States Treasury securities adjusted to a constant maturity of five years (5 Year Treasury Index) plus our margin. Ask us for our current interest rate and margin.
- Information about the index is published weekly in the Wall Street Journal.
- Your interest rate will be based on an index plus a margin, unless your interest rate "caps" limit the amount of change in the interest rate.

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

- Your interest rate can change every 12, after remaining fixed for 96 months.
- Your interest rate cannot increase or decrease more than 2 percentage point(s) at each adjustment.
- Your interest rate cannot increase more than 5.00 percentage point(s) above the initial interest rate over the term of the loan.
- Your interest rate will never be less than the initial rate.

### **How Your Payment Can Change**

- Your payment can change every 12 payment(s) based on changes in the interest rate after remaining fixed for 96 payment(s).
- Your monthly payment may increase or decrease substantially based on changes in the interest rate.
- You will be notified in writing at least 210 days, 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 your interest rate, payment amount, and loan balance.
- You will be notified in writing at least 60 days but no more than 120 days before the due date of a payment at a new level resulting from a change in the interest rate. This notice will contain information about your interest rates, payment amount, and loan balance.
- For example, on a \$10,000 180-month loan with an initial interest rate of 4.37% in effect January, 2021, the maximum amount that the interest rate can rise under this program is 5 percentage points to 9.37% in month 121 (10 year(s), 1 month(s)), and the monthly payment can rise from an initial payment of \$75.84 to a maximum of \$87.72 on the 121st monthly payment. This example is based on a periodic cap of 2 percentage point(s) and a lifetime cap of 5 percentage point(s) above the initial rate. 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:  $\$60,000 / \$10,000 = 6$ ;  $6 \times \$75.84 = \$455.04$  per month).

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