ST. FRANCIS X FEDERAL CREDIT UNION
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LOANLINER HOME EQUITY SYSTEM

ADJUSTABLE RATE MORTGAGE DISCLOSURE

This disclosure describes the features of the adjustable-rate mortgage (ARM) programs you are considering.

HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED

Your interest rate will be based on an index rate plus a margin. The interest rate will be based on the Prime Rate in the Money Rates column of *The Wall Street Journal* plus our margin. Information about the index rate is published weekly in the Wall Street Journal. Ask for our current interest rate and margin.

Your payment will be based on the interest rate, loan balance and loan term.

HOW YOUR INTEREST RATE CAN CHANGE

There are three (3) loan programs available from the credit union. You will have the choice of a loan interest rate that can change every 3 years, every 5 years or every 7 years.
Over the term of the loan your interest rate will never be greater than 18% per year. Your interest rate will never go below 4.0% if your rate changes every 3 years, go below 5% of your rate changes every 5 years or go below 6% if your rate changes every 7 years.

HOW YOUR PAYMENT CAN CHANGE – EVERY 3 YEAR INTEREST RATE CHANGE

Your monthly payment can change every 3 years. Payments may increase or decrease substantially based on changes in the interest rate.

For example, on a $10,000, 5 year loan with an initial interest rate of 4% in effect in July 2015, the maximum amount that the interest rate can rise under this program is 14 percentage point(s) to 18.000%, and the monthly payment can rise from a first year payment of $184.17 to a maximum of $211.72 in the 4th year.

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 x 184.17 = $1105.02 per month.)

For example, on a $10,000, 15 year loan with an initial interest rate of 4% in effect in July 2015, the maximum amount that the interest rate can rise under this program is 14 percentage point(s) to 18.000%, and the monthly payment can rise from a first year payment of $73.97 to a maximum of $143.55 in the 4th year.

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 x 73.97 = $443.82 per month.)

For example, on a $10,000, 30 year loan with an initial interest rate of 4% in effect in July 2015, the maximum amount that the interest rate can rise under this program is 14 percentage point(s) to 18.000%, and the monthly payment can rise from a first year payment of $47.75 to a maximum of $142.90 in the 4th year.

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 x 47.75 = $286.50 per month.)

HOW YOUR PAYMENT CAN CHANGE – EVERY 5 YEAR INTEREST RATE CHANGE

Your monthly payment can change every 5 years. Payments may increase or decrease substantially based on changes in the interest rate.
For example, on a $10,000, 5 year loan with an initial interest rate of 5.00% in effect in July 2015, the maximum amount that the interest rate can rise under this program is 0 percentage point(s) to 5.00%, and the monthly payment can rise from a first year payment of $188.72 to a maximum of $188.72 in the 1st year.

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 x 188.72 = $1,132.32 per month.)

For example, on a $10,000, 15 year loan with an initial interest rate of 5.00% in effect in July 2015, the maximum amount that the interest rate can rise under this program is 13 percentage point(s) to 18.00%, and the monthly payment can rise from a first year payment of $79.08 to a maximum of $134.34 in the 6th year.

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 x 79.08 = $474.48 per month.)

For example, on a $10,000, 30 year loan with an initial interest rate of 5.00% in effect in July 2015, the maximum amount that the interest rate can rise under this program is 13 percentage point(s) to 18.00%, and the monthly payment can rise from a first year payment of $53.69 to a maximum of $139.34 in the 6th year.

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 x 53.69 = $322.14 per month.)

HOW YOUR PAYMENT CAN CHANGE – EVERY 7 YEAR INTEREST RATE CHANGE

Your monthly payment can change every 7 years. Payments may increase or decrease substantially based on changes in the interest rate.
For example, on a $10,000, 5 year loan with an initial interest rate of 6.00 % in effect in July 2015, the maximum amount that the interest rate can rise under this program is 0 percentage point(s) to 6.00%, and the monthly payment can rise from a first year payment of $193.33 to a maximum of $193.33 in the 1st year.

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 x 193.33 = $1,159.98 per month.)

For example, on a $10,000, 15 year loan with an initial interest rate of 6.00% in effect in July 2015, the maximum amount that the interest rate can rise under this program is 12 percentage point(s) to 18.00%, and the monthly payment can rise from a first year payment of $84.39 to a maximum of $126.64 in the 8th year.

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 x 84.39 = $506.34 per month.)

For example, on a $10,000, 30 year loan with an initial interest rate of 6.00% in effect in July 2015, the maximum amount that the interest rate can rise under this program is 12 percentage point(s) to 18.00%, and the monthly payment can rise from a first year payment of $59.96 to a maximum of $136.70 in the 8th year.

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 x 59.96 = $359.76 per month.)

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 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.