

**THE FIRST NATIONAL BANK OF
LIVINGSTON**

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Lender

Borrower

FIVE YEAR ARM

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, rounded to the nearest .125 percent.
- * 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.
- * The interest rate will be based on the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate (Wall Street Journal U.S. Prime Rate) plus our margin, rounded to the nearest .125 percent. Ask us for our current interest rate and margin.
- * Information about the index is published daily in the Wall Street Journal.
- * The initial interest rate is not based on the index used to make later adjustments. Ask us for the amount of the current interest rate discount.
- * Your interest rate will equal the index rate plus margin, rounded to the nearest .125 percent, 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 5 years.
- * Your interest rate cannot increase or decrease more than 2.000 percentage point(s) at each adjustment.
- * Your interest rate cannot increase more than 4.000 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 60 payment(s) based on changes in the interest rate.
- * Your monthly payment may increase or decrease substantially based on changes in the interest rate.
- * You will be notified in writing 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.
- * For example, on a \$10,000 30-year loan with an initial interest rate of 8.750 in effect in July 2023, the maximum amount that the interest rate can rise under this program is 4.000 percentage point(s), to 12.750 percent, and the monthly payment can rise from an initial payment of \$78.67 to a maximum of \$104.63 in the 121st month (10 years, 1 month). 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 \$78.67 = \472.02 per month).

EXAMPLE

The example below shows how your payments would have changed under this ARM program based on actual changes in the index from 2009 to 2023. This does not necessarily indicate how your index will change in the future.

The example is based on the following assumptions:

Amount of Loan: \$10,000.00
 Term: 30 years
 Payment Adjustment: Every 60 payment(s)
 Interest Adjustment: Every 5 years
 Margin (*): 1.000 percentage point(s)
 Caps
 Periodic Interest Rate (increases or decreases): 2.000 percentage point(s) at each adjustment
 Lifetime Interest Rate (increases): 4.000 percentage point(s) above the initial interest rate
 Lifetime Interest Rate (floor): Interest rate will never be less than the initial rate
 Interest Rate Discount (**): 0.5 percentage point(s)
 Index: the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks known as the Wall Street Journal U.S. Prime Rate

YEAR As of the first business day of July	INDEX (%)	MARGIN (%)	INTEREST RATE (%)	MONTHLY PAYMENT (\$)	REMAINING BALANCE (\$)
2009	3.250	1.000	3.750 (L)	46.31	9,816.14
2010	3.250	1.000	3.750	46.31	9,625.28
2011	3.250	1.000	3.750	46.31	9,427.13
2012	3.250	1.000	3.750	46.31	9,221.41
2013	3.250	1.000	3.750	46.31	9,007.85
2014	3.250	1.000	4.250	48.80	8,801.07
2015	3.250	1.000	4.250	48.80	8,585.35
2016	3.500	1.000	4.250	48.80	8,360.28
2017	4.250	1.000	4.250	48.80	8,125.46
2018	5.000	1.000	4.250	48.80	7,880.46
2019	5.500	1.000	6.250 (B)	57.60	7,675.99
2020	3.250	1.000	6.250	57.60	7,458.39
2021	3.250	1.000	6.250	57.60	7,226.78
2022	4.750	1.000	6.250	57.60	6,980.28
2023	8.250	1.000	6.250	57.60	6,717.92

To see what your payments would have been during that period, divide your mortgage amount by \$10,000; then multiply the monthly payment by that amount (for example, in 2023 the monthly payment for a mortgage amount of \$60,000 taken out in 2009 would be: $\$60,000 / \$10,000 = 6$; $6 \times \$57.60 = \345.60 per month).

* This is a margin we have used recently; your margin may be different.

** This is the amount of a discount that we have provided recently; your loan may have a different discount amount.

(B) This rate reflects a 2.000 percentage point annualized cap on increases annualized over 5 years.

(L) This interest rate reflects a 0.500 percentage point discount.

This is not a commitment to make a loan.

You hereby acknowledge receipt of this ARM Program Disclosure and a copy of the
Consumer Handbook on Adjustable Rate Mortgages on today's date.

Signature

Date

Signature

Date