EARLY ARM DISCLOSURE STATEMENT

EARLHAM SAVINGS BANK
EARLHAM - (515) 758-2251
130 NORTH CHESTNUT AVE
EARLHAM, IA 50072

ADJUSTABLE RATE MORTGAGE ("ARM")
IMPORTANT MORTGAGE LOAN INFORMATION -- PLEASE READ CAREFULLY
PROGRAM NAME: CLOSED END HOME EQUITY VARIABLE RATE

Origination Co. NMLSR ID: 630598

If you wish to apply for an Adjustable Rate Mortgage loan (referred to in this disclosure as an "ARM") with EARLHAM SAVINGS 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 Prime rate as published in the Wall Street Journal. Information about this Index is available in the wall Street Journal . 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 month. However, under no circumstances will your interest rate exceed 19.000% per annum or go below the higher of the margin or 4.000% per annum at any time during the term of your loan.

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 month.

Payment Example. Your payment may increase or decrease substantially depending on changes in the interest rate. For example, on a $10,000, 5-year loan with an initial interest rate of 5.000% (the index rate in effect March 2020, plus a margin of 0.750%), the maximum amount that the interest rate can rise under this program is 14.000 percentage points to 19.000%, and the monthly payment can rise from an initial payment of $188.74 to a maximum of $258.30 in the 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 $188.74 = $1,132.44 monthly.)

Adjustment Notice. You will be notified at consummation about the initial interest rate adjustment resulting in a corresponding payment change. This notice will contain information about the adjustment, including the rate, payment amount, and loan balance. You will also be notified as soon as practicable, but not less than 25 days before the first payment at the adjusted level is due, for the first adjustment to your ARM occurring within 60 days of consummation. You will be notified at least 25, 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.

DEMAND FEATURE. This ARM program contains a demand feature.

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