

Adjustable Rate Mortgage Program Disclosure

Lender

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This disclosure describes the features of the Adjustable Rate Mortgage (“ARM”) program you are considering.

- These loan programs have 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 .01 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.
- Your interest rate will be based on the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year (1 Year Treasury Index) plus our margin, rounded to the nearest .01 percent. Ask us for our current interest rate and margin.
- Information about the index is published weekly in the Wall Street Journal.
- The initial interest rate is not based on the index used to make later adjustments. The initial interest rate is based on credit factors. Ask us for the amount of the current interest rate premium or discount.
- Your interest rate will be based on an index plus a margin, rounded to the nearest .01 percent, unless your interest rate "caps" limit the amount of change in the interest rate.

Note: If the index for your adjustable rate mortgage is no longer available, the Lender will choose a new index which is based on comparable information.

How Your Interest Rate Can Change

2/1 Adjustable Rate

- Your interest rate can change every 12 months, after remaining fixed for 24 months.
- Your interest rate cannot increase or decrease more than 2 percentage point(s) at each adjustment.
- Your interest rate will never be greater than 6 percent above your initial rate.
- Your interest rate will never be less than 5 percent.
- The initial premium or discount feature of this ARM program is not taken into consideration in applying interest rate limitations.

3/1 Adjustable Rate

- Your interest rate can change every 12 months, after remaining fixed for 36 months.
- Your interest rate cannot increase or decrease more than 2 percentage point(s) at each adjustment.
- Your interest rate will never be greater than 6 percent above your initial rate.
- Your interest rate will never be less than 5 percent.
- The initial premium or discount feature of this ARM program is not taken into consideration in applying interest rate limitations.

5/1 Adjustable Rate

- Your interest rate can change every 12 months, after remaining fixed for 60 months.
- Your interest rate cannot increase or decrease more than 2 percentage point(s) at each adjustment.
- Your interest rate will never be greater than 6 percent above your initial rate.
- Your interest rate will never be less than 5 percent.
- The initial premium or discount feature of this ARM program is not taken into consideration in applying interest rate limitations.

7/1 Adjustable Rate

- 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 will never be greater than 6 percent above your initial rate.
- Your interest rate will never be less than 5 percent.
- The initial premium or discount feature of this ARM program is not taken into consideration in applying interest rate limitations.

15/1 Adjustable Rate

- Your interest rate can change every 12 months, after remaining fixed for 180 months.
- Your interest rate cannot increase or decrease more than 2 percentage point(s) at each adjustment.
- Your interest rate will never be greater than 6 percent above your initial rate.
- Your interest rate will never be less than 5 percent.
- The initial premium or discount feature of this ARM program is not taken into consideration in applying interest rate limitations.

How Your Payment Can Change

2/1 Adjustable Rate

- Your payment can change every 12 payment(s) based on changes in the interest rate after remaining fixed for 24 payment(s).

3/1 Adjustable Rate

- Your payment can change every 12 payment(s) based on changes in the interest rate after remaining fixed for 36 payment(s).

5/1 Adjustable Rate

- Your payment can change every 12 payment(s) based on changes in the interest rate after remaining fixed for 60 payment(s).

7/1 Adjustable Rate

- Your payment can change every 12 payment(s) based on changes in the interest rate after remaining fixed for 84 payment(s).

15/1 Adjustable Rate

- Your payment can change every 12 payment(s) based on changes in the interest rate after remaining fixed for 180 payment(s).

How Your Payment Can Change

- 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.

2/1 Adjustable Rate

- For example, on a \$10,000 240-month loan with an initial interest rate of 4.32% in effect January, 2019, the maximum amount that the interest rate can attain under this program is 10.32%, and the monthly payment can rise from an initial payment of \$62.29 to a maximum of \$93.81 in month 49 (4 year(s), 1 month(s)). This example is based on a periodic cap of 2 percentage point(s) and a lifetime cap of 10.32 percent. 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 \$62.29 = \373.74 per month).

3/1 Adjustable Rate

- For example, on a \$10,000 240-month loan with an initial interest rate of 4.93% in effect January, 2019, the maximum amount that the interest rate can attain under this program is 10.93%, and the monthly payment can rise from an initial payment of \$65.60 to a maximum of \$96.27 in month 61 (5 year(s), 1 month(s)). This example is based on a periodic cap of 2 percentage point(s) and a lifetime cap of 10.93 percent. 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 \$65.60 = \393.60 per month).

5/1 Adjustable Rate

- For example, on a \$10,000 240-month loan with an initial interest rate of 5.06% in effect January, 2019, the maximum amount that the interest rate can attain under this program is 11.06%, and the monthly payment can rise from an initial payment of \$66.32 to a maximum of \$93.63 in month 85 (7 year(s), 1 month(s)). This example is based on a periodic cap of 2 percentage point(s) and a lifetime cap of 11.06 percent. 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 \$66.32 = \397.92 per month).

7/1 Adjustable Rate

- For example, on a \$10,000 240-month loan with an initial interest rate of 5.71% in effect January, 2019, the maximum amount that the interest rate can attain under this program is 11.71%, and the monthly payment can rise from an initial payment of \$69.98 to a maximum of \$94.49 in month 109 (9 year(s), 1 month(s)). This example is based on a periodic cap of 2 percentage point(s) and a lifetime cap of 11.71 percent. 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 \$69.98 = \419.88 per month).

15/1 Adjustable Rate

- For example, on a \$10,000 240-month loan with an initial interest rate of 7.25% in effect January, 2019, the maximum amount that the interest rate can attain under this program is 13.25%, and the monthly payment can rise from an initial payment of \$79.03 to a maximum of \$88.60 in month 205 (17 year(s), 1 month(s)). This example is based on a periodic cap of 2 percentage point(s) and a lifetime cap of 13.25 percent. 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 \$79.03 = \474.18 per month).

This is not a commitment to make a loan.