



# MARBLEHEAD BANK

21 Atlantic Avenue,  
Marblehead, MA 01945

## Adjustable Rate Disclosure Statements

Thank you for your interest in our Adjustable Rate Mortgage programs.

Please review the Adjustable Rate Disclosure appropriate for the product you are applying for. Please see the table of contents below for your reference.

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If you have any questions, please don't hesitate to contact one of our Loan Origination Representatives at [loancenter@marblebank.com](mailto:loancenter@marblebank.com) or 781-631-5500.



# MARBLEHEAD BANK

21 Atlantic Avenue,  
Marblehead, MA 01945

## EARLY ARM DISCLOSURE STATEMENT

**PROGRAM NAME: 1/1 ARM with a Discount Feature**

### IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity.** Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Discount and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **-0.365** to reflect a **Discount**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **12** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **2.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **6.000%** above the initial interest rate.



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Your rate will never be greater than **11.875%** or lower than **2.750%** (the margin).

**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **12** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **2.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **6.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **5.875%**, the maximum amount that the interest rate can rise under this ARM program is **6.000%** above the initial interest rate to **11.875%** and the payment can rise from a first-year payment of **\$59.15** to a maximum of **\$100.25** in the **4th** year.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **6.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g.  $6 \times \$59.15 = \$354.90$

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.



# MARBLEHEAD BANK

21 Atlantic Avenue,  
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**PROGRAM NAME: 3/1 ARM with a Discount Feature**

## **IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY**

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity**. Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Discount and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **-0.240** to reflect a **Discount**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **36** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **2.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **6.000%** above the initial interest rate.

Your rate will never be greater than **12.000%** or lower than **2.750%** (the margin).



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**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **36** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **2.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **6.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **6.000%**, the maximum amount that the interest rate can rise under this ARM program is **6.000%** above the initial interest rate to **12.000%** and the payment can rise from a first-year payment of **\$59.96** to a maximum of **\$99.24** in the **6th** year.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **6.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g. 6 x **\$59.96** = **\$359.76**

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.



# MARBLEHEAD BANK

21 Atlantic Avenue,  
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## EARLY ARM DISCLOSURE STATEMENT

**PROGRAM NAME: 5/1 ARM with a Premium Feature**

### IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity**. Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Premium and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **0.135** to reflect a **Premium**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **60** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **5.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **5.000%** above the initial interest rate.

Your rate will never be greater than **11.375%** or lower than **2.750%** (the margin).



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**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **60** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **5.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **5.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **6.375%**, the maximum amount that the interest rate can rise under this ARM program is **5.000%** above the initial interest rate to **11.375%** and the payment can rise from a first-year payment of **\$62.39** to a maximum of **\$94.16** in the **6th** year.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **5.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g. 6 x **\$62.39** = **\$374.34**

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.



# MARBLEHEAD BANK

21 Atlantic Avenue,  
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## EARLY ARM DISCLOSURE STATEMENT

**PROGRAM NAME: 7/1 ARM with a Premium Feature**

### IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity**. Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Premium and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **0.260** to reflect a **Premium**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **84** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **5.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **5.000%** above the initial interest rate.

Your rate will never be greater than **11.500%** or lower than **2.750%** (the margin).



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**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **84** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **5.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **5.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **6.500%**, the maximum amount that the interest rate can rise under this ARM program is **5.000%** above the initial interest rate to **11.500%** and the payment can rise from a first-year payment of **\$63.21** to a maximum of **\$93.36** in the **8th** year.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **5.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g. 6 x **\$63.21** = **\$379.26**

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.



# MARBLEHEAD BANK

21 Atlantic Avenue,  
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## EARLY ARM DISCLOSURE STATEMENT

**PROGRAM NAME: 7/1 Non-Conforming ARM with a Premium Feature**

### IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity.** Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Premium and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **1.510** to reflect a **Premium**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **84** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **5.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **5.000%** above the initial interest rate.

Your rate will never be greater than **12.750%** or lower than **2.750%** (the margin).



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**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **84** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **5.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **5.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **7.750%**, the maximum amount that the interest rate can rise under this ARM program is **5.000%** above the initial interest rate to **12.750%** and the payment can rise from a first-year payment of **\$71.64** to a maximum of **\$103.52** in the **8th** year.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **5.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g. 6 x **\$71.64** = **\$429.84**

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.

**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **84** month(s) and every **12** months thereafter. However, your monthly payment amount could



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## EARLY ARM DISCLOSURE STATEMENT

**PROGRAM NAME: Jumbo 1/1 ARM with a Discount Feature**

### IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity**. Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Discount and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **-0.240** to reflect a **Discount**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **12** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **2.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **6.000%** above the initial interest rate.

Your rate will never be greater than **12.000%** or lower than **2.750%** (the margin).



# MARBLEHEAD BANK

21 Atlantic Avenue,  
Marblehead, MA 01945

**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **12** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **2.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **6.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **6.000%**, the maximum amount that the interest rate can rise under this ARM program is **6.000%** above the initial interest rate to **12.000%** and the payment can rise from a first-year payment of **\$59.96** to a maximum of **\$101.23** in the **4th** year.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **6.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g. 6 x **\$59.96** = **\$359.76**

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.



21 Atlantic Avenue, Marblehead, MA 01945

## EARLY ARM DISCLOSURE STATEMENT

**PROGRAM NAME: Jumbo 3/1 ARM with a Discount Feature**

### IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity**. Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Discount and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **-0.115** to reflect a **Discount**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **36** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **2.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **6.000%** above the initial interest rate.

Your rate will never be greater than **12.125%** or lower than **2.750%** (the margin).



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**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **36** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **2.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **6.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **6.125%**, the maximum amount that the interest rate can rise under this ARM program is **6.000%** above the initial interest rate to **12.125%** and the payment can rise from a first-year payment of **\$60.76** to a maximum of **\$100.25** in the **6th** year.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **6.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g. 6 x **\$60.76 = \$364.56**

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.



21 Atlantic Avenue, Marblehead, MA 01945

## EARLY ARM DISCLOSURE STATEMENT

**PROGRAM NAME: Jumbo 5/1 ARM with a Premium Feature**

### IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity**. Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Premium and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **0.260** to reflect a **Premium**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **60** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **5.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **5.000%** above the initial interest rate.

Your rate will never be greater than **11.500%** or lower than **2.750%** (the margin).



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**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **60** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **5.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **5.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **6.500%**, the maximum amount that the interest rate can rise under this ARM program is **5.000%** above the initial interest rate to **11.500%** and the payment can rise from a first-year payment of **\$63.21** to a maximum of **\$95.15** in the **6th** year.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **5.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g. 6 x **\$63.21 = \$379.26**

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.



21 Atlantic Avenue, Marblehead, MA 01945

## EARLY ARM DISCLOSURE STATEMENT

**PROGRAM NAME: Jumbo 7/1 ARM with a Premium Feature**

### IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity**. Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Premium and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **0.385** to reflect a **Premium**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **84** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **5.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **5.000%** above the initial interest rate.

Your rate will never be greater than **11.625%** or lower than **2.750%** (the margin).



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**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **84** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **5.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **5.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **6.625%**, the maximum amount that the interest rate can rise under this ARM program is **5.000%** above the initial interest rate to **11.625%** and the payment can rise from a first-year payment of **\$64.03** to a maximum of **\$94.37** in the **8th** year.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **5.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g. 6 x **\$64.03 = \$384.18**

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.



21 Atlantic Avenue, Marblehead, MA 01945

## EARLY ARM DISCLOSURE STATEMENT

**PROGRAM NAME: 5/1 Construction - Perm - Rehab OR Dirt Up with a Premium Feature**

### IMPORTANT LOAN INFORMATION – PLEASE READ CAREFULLY

*You should carefully read this disclosure; the promissory note, deed of trust or mortgage; any riders; and all other documents that you will be asked to sign if you accept an ARM loan. This Arm Disclosure is not a commitment by us to make a Loan to you.*

**ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE.** You are applying for an Adjustable Rate Mortgage (ARM) loan. This means that your interest rate and monthly payments may change during the life of your loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as “Change Date”) will be specified in the ARM loan documents. This ARM 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, discounts, and fees. Ask us for our current interest rate and margin.

An ARM is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

**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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the “Index.”) The Index is based on **the Weekly Average Yield on U.S. Treasury Security 1 Year Constant Maturity**. Information about the index is available in the Federal Reserve Statistical Release H-15 ([www.federalreserve.gov/releases/h15](http://www.federalreserve.gov/releases/h15)). If the index is no longer available, the lender will choose a new index which is based on comparable information.

**Interest Rate.** Your interest rate is based on the Index value plus a margin of **2.750%**, rounded to the nearest **0.125%**. 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 the periodic interest rate change limitations and the lifetime interest rate limits, as discussed below.

**Initial Interest Rate.** Your initial interest rate will be a Premium and will not be based on the Index used to make later adjustments. You should note, however, that if your initial interest rate is discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. The initial interest rate in the above example has been adjusted by **1.885** to reflect a **Premium**.

**Interest Rate Adjustments.** After your initial rate change, your interest rate under this ARM can change after **60** month(s) and every **12** months thereafter. Your interest rate cannot increase or decrease more than **5.000%** at first adjustment and **2.000%** per subsequent adjustment from the initial interest rate excluding any buydown. Your interest cannot increase more than **5.000%** above the initial interest rate.

Your rate will never be greater than **13.125%** or lower than **2.750%** (the margin).



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**HOW YOUR PAYMENTS ARE DETERMINED.** Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. Your payment will be set to amortize the loan over a period of **360** payments.

**Frequency of Payment Changes.** Based on increases or decreases in the Index, payment amounts under this ARM loan can change after **60** month(s) and every **12** months thereafter. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**Limitations on Interest Rate Payment Changes.** Your interest rate will not increase or decrease on the first change date by more than **5.000%** from the initial interest rate excluding any buydown. After the initial adjustment period, your interest rate will not increase or decrease by more than **2.000%** per year. Your interest rate cannot increase more than **5.000%** above the initial interest rate (excluding any buydown) over the life of the loan.

**Initial Interest Rate Adjustment 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 rate adjustment of the loan. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

**Subsequent Interest Rate Adjustment Notices.** You will be notified at least 60, but not 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.

**HOW YOUR PAYMENT CAN CHANGE (“Worst Case Scenario”).** Your payment can change every **12** month(s) based on changes in the loan term, interest rate, or loan balance. For example, on a \$10,000 loan with a **360** month term and an initial rate of **8.125%**, the maximum amount that the interest rate can rise under this ARM program is **5.000%** above the initial interest rate to **13.125%** and the payment can rise from a second-year\* payment of **\$74.86** to a maximum of **\$109.13** in the **6th** year.

\*Interest only payments on the amount of credit outstanding during the construction period (initial 12 months) to be paid monthly.

The above example uses a periodic cap of **2.000%** and a lifetime cap of **5.000%** in calculating the interest rate and maximum payment

To see what your payment would be, divide your mortgage amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a new loan amount of \$60,000 would be \$60,000 divided by \$10,000 = 6. Multiply the payment amount by this number, e.g. 6 x **\$74.86 = \$449.16**

**PREPAYMENT.** You may pay this ARM loan in whole or part without penalty at any time. If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

**DEMAND FEATURE.** This loan **does not** include a demand feature.

**DISCLOSURES FOR OTHER ARM PROGRAMS** are available on request.