

Creditor:

Tri-County Trust Company

P.O. Box 217  
Glasgow, MO 65254

Origination Co. NMLSR ID: 541725

## ARM PROGRAM DISCLOSURE

If you wish to apply for an Adjustable Rate Mortgage loan (referred to in this disclosure as an "ARM") with Tri-County Trust Company (referred to in this disclosure as "we", "us", "our", or "Lender"), you should read the information below concerning the differences between our ARM programs and other mortgage loan programs with which you may be familiar. This disclosure describes features of specific ARMs that you are considering. Upon your request, we will provide you with information about any other Adjustable Rate Mortgage programs we may offer.

**GENERAL DESCRIPTION OF AN ADJUSTABLE RATE MORTGAGE.** This loan is an Adjustable Rate Mortgage (ARM) loan. The applicable interest rate may change from time to time based upon the movements of an interest rate index. Our ARM programs are 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 carefully read this disclosure and the promissory note, deed of trust, and all other documents that you will be asked to sign if we offer an ARM loan 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 from time to time without notice.

### INFORMATION APPLICABLE TO ALL ARM LOANS

**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 these ARM programs will be based on an interest rate index (referred to in this disclosure as the "Index"). The Index is the U.S. Prime Rate published in the Wall Street Journal. Information about this index is available in the Wall Street Journal, or online at [www.wsj.com](http://www.wsj.com). 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, 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 periodic interest rate change limitations and any minimum or maximum interest rate limits, as discussed below for each ARM Program we offer.

**Initial Interest Rate Premium.** Your initial interest rate will be a premium rate and will not be based on the Index used to make later adjustments. Ask us for the current interest rate premium under these ARM Programs.

SEE BELOW FOR ADDITIONAL INFORMATION ON 1/1 ARM Loans, 3/1 ARM Loans and 5/1 ARM Loans

### ADDITIONAL INFORMATION FOR 1/1 ARM LOANS

**INTEREST RATE ADJUSTMENTS.** Your interest rate under this ARM program can change every year beginning ONE (1) year after the loan closes. After the initial premium period is completed, your interest rate cannot be less than 3.00% per annum. Notwithstanding this minimum interest rate, your interest rate cannot increase or decrease more than 2.000 percentage points at each adjustment. However, under no circumstances will your interest rate increase more than 5.000 percentage points 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 year beginning one (1) year after the loan closes.

**Payment Example.** Your payment may increase or decrease substantially depending on changes in the interest rate. For example on a \$10,000, 25 year loan with an initial interest rate of 5.250% (the initial rate in effect January, 2014), which is not based on the index in effect for January 2014), the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 10.250%, and the monthly payment can rise from an initial payment of \$59.91 to a maximum of \$90.86 in the fourth 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 \$59.91 = \$359.46 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 at least 60 days, but no more than 120, days before the first payment at the adjusted level is due after any interest rate adjustments resulting in a corresponding payment change. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

#### ADDITIONAL INFORMATION FOR 3/1 ARM LOANS

**INTEREST RATE ADJUSTMENTS.** Your interest rate under this ARM program can change every year beginning THREE (3) years after the loan closes. After the initial premium period is completed, your interest rate cannot be less than 3.00% per annum. Notwithstanding this minimum interest rate, your interest rate cannot increase or decrease more than 2.000 percentage points at each adjustment. However, under no circumstances will your interest rate increase more than 5.000 percentage points 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 year beginning three (3) year after the loan closes.

**Payment Example.** Your payment may increase or decrease substantially depending on changes in the interest rate. For example on a \$10,000, 25 year loan with an initial interest rate of 5.250% (the initial rate in effect January, 2014), which is not based on the index in effect for January 2014), the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 10.250%, and the monthly payment can rise from an initial payment of \$59.91 to a maximum of \$88.71 in the sixth 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:  $\$60,000 \div \$10,000 = 6$ ;  $6 \times \$59.91 = \$359.46$  monthly.)

**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 interest rate adjustment of the loan. This notice will contain information about the adjustment, including the rate, payment amount, and loan balance. You will also be notified at least 60 days, but no more than 120, days before the first payment at the adjusted level is due after any interest rate adjustments resulting in a corresponding payment change. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

#### ADDITIONAL INFORMATION FOR 5/1 ARM LOANS

**INTEREST RATE ADJUSTMENTS.** Your interest rate under this ARM program can change every year beginning FIVE (5) years after the loan closes. After the initial premium period is completed, your interest rate cannot be less than 3.00% per annum. Notwithstanding this minimum interest rate, your interest rate cannot increase or decrease more than 2.000 percentage points at each adjustment. However, under no circumstances will your interest rate increase more than 5.000 percentage points 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 year beginning five (5) year after the loan closes.

**Payment Example.** Your payment may increase or decrease substantially depending on changes in the interest rate. For example on a \$10,000, 25 year loan with an initial interest rate of 5.250% (the initial rate in effect January, 2014), which is not based on the index in effect for January 2014), the maximum amount that the interest rate can rise under this program is 5.000 percentage points to 10.250%, and the monthly payment can rise from an initial payment of \$59.91 to a maximum of \$86.41 in the eighth 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:  $\$60,000 \div \$10,000 = 6$ ;  $6 \times \$59.91 = \$359.46$  monthly.)

**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 interest rate adjustment of the loan. This notice will contain information about the adjustment, including the rate, payment amount, and loan balance. You will also be notified at least 60 days, but no more than 120, days before the first payment at the adjusted level is due after any interest rate adjustments resulting in a corresponding payment change. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.