

Loan Program Disclosure for Adjustable Rate Mortgage Loans

This disclosure outlines the feature of the adjustable-rate mortgage (ARM) program you are considering:



How Your Interest Rate and Payments are determined

Your interest rate will be based on the current market interest rate granted on mortgage loans by the Credit Union. The interest rate changes on the loan adjustment dates will be at the credit union discretion.

- A) **15-year Home Equity Line of Credit up to \$150,000.** This product contains an adjustable rate each year that occurs on February 1st based on the Prime Rate published in the Wall Street Journal as December 31st of the preceding year. There is a 2% cap, which means your interest rate will never increase or decrease more than 2% on the adjustment date. There is a floor rate of 4% and a ceiling of 18%, this simply means the loan can go no lower than 4%.
- B) **15-year Mortgage Loan up to \$250,000.** This product interest rate can change every three years. Again, the interest rate will never increase or decrease more than 2% during any adjustment period (if held for the life of the loan, an adjustment can occur on the 3, 6, 9 and 12th anniversary date of the loan). The Credit Union establishes a current market rate based on and not to exceed the National Contract Rate for Existing Homes (NCREH). This NCREH is published monthly by the Federal Housing Finance Agency (www.FHFA.gov).
- C) **15-Year Fixed Rate Mortgage up to \$150,000.** The Board of Directors is in the process of developing such a program.

The following information is needed to apply:

- a) Income verification from all sources received (i.e. pay stubs, social security or pension receipts)
- b) Completed loan application
- c) Most recent tax bill stating the assessed value of the property
- d) Latest mortgage statement(s) from mortgage holders of your property
- e) Copy of your current homeowners insurance policy
- f) Copy of your mortgage or quitclaim deed showing the legal description of your property

CALL WITH ANY QUESTIONS (617) 973-3760