



A Division of Sharon &  
Crescent United Credit Union

30 Pond Street  
Sharon, MA 02067  
Phone: 781-784-7725  
Fax: 781-784-0814

**15 YEAR FIXED**  
**1 YEAR ADJUSTABLE**  
**30 YEAR MATURITY**

## Loan Program Disclosure for Variable Rate Mortgage Loans

This disclosure describes the features of the Variable Rate Mortgage ("VRM") program you are considering. Information on other VRM programs is available upon request.

### How Your Interest Rate is Determined

Your interest rate will be based on the value of an Index, described below, plus a margin. The interest rate is rounded to the nearest **1/8 of 1%**.

Ask us for our current interest rate and margin. The Index is the weekly average yield on United States Treasury Securities adjusted to a constant maturity of **1 year** as made available by the Federal Reserve Board in the Selected Interest Rate Publication H15 and as published in The Wall Street Journal.

### How Your Interest Rate Can Change

The initial interest rate will not change sooner than **180 months**. Your interest rate can change every **12 months** thereafter.

The interest rate for the period after the **first** adjustment date may not vary from the interest rate of the immediately preceding term by more than **2.0** percentage points and the interest rate for the period after any subsequent Adjustment Date may not vary by more than **2.0** percentage points from the interest rate of the immediately preceding term.

Your interest rate cannot increase more than **6.0** percentage points nor decrease more than **6.0** percentage points during the term of the loan.

If your initial interest rate is discounted, your interest rate on the first Change Date may increase even if the Index does not increase. Ask us for the amount of our current premium or discount.

### How Your Payment Can Change

Your payment can change every **12 months** after the initial interest rate period based on changes in the interest rate.

Your payment will be based on the interest rate, loan balance and loan term.

You will receive an Initial Adjustment Notice at least **210** days but not more than **240** days prior to the Adjustment Date of a payment at a new level. Subsequently, you will be notified in writing at least **60**, but not more than **120** days before the due date of a Monthly Payment at a new level, or at such time as may be required by applicable law. This notice will contain information about your Index, Interest Rate, Monthly Payment Amount and Loan Balance.

### Maximum Interest Rate and Payment Example

For example, on a \$10,000 **30** year loan with an initial interest rate of **3.50%** which rate was in effect in **April 2020**, the maximum amount that the interest rate can rise under this program is **6.0** percentage points to **9.50%** and the monthly payment can rise from a first-year payment of **\$44.90** to a maximum of **\$64.34** in the **18th** year.

Your monthly payment can increase or decrease substantially depending on changes in the interest rate. 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:  $\$60,000 \div \$10,000 = 6$ ;  $6 \times \$44.90 = \$269.40$  per month.