

**ADJUSTABLE RATE MORTGAGE  
LOAN PROGRAM DISCLOSURE**

Hatboro Federal Savings  
229 South York Road  
Hatboro, Pennsylvania 19040 0550  
(215)675-4424  
www.hatborofed.com



**5/1 ARM**

This information describes some of the terms and conditions of an Adjustable Rate Mortgage ("ARM") loan program that is currently being offered by Hatboro Federal Savings ("Lender"), and which you are considering. Lender reserves the right to discontinue, or to modify, in whole or in part, at any time, the loan program that is described herein. This ARM disclosure is not a commitment by Lender to make a loan to you.

An Adjustable Rate Mortgage loan permits Lender, by the terms of the agreement and in relation to an index or formula, to increase or decrease the interest rate, payment amounts, and/or term of the loan after the loan has been consummated ("closed"). The date on which your interest rate and/or payment can change is called the "Change Date." Scheduled payment periods are called "your payments."

**LOAN PROGRAM NAME.** This disclosure describes the features of the ARM program that you are considering. The name of this loan program is 5/1 ARM. Information on Lender's other ARM programs is available on request.

**HOW YOUR INTEREST RATE IS DETERMINED.** Beginning with the first Change Date, your interest rate will be based on an Index plus a margin. The Index for this loan program is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year. Information about the Index rate is published by the Board of Governors of the Federal Reserve System. If the Index is no longer available, Lender will select a new Index which is based on comparable information. Ask us for our current interest rate and margin.

**HOW YOUR INTEREST RATE CAN CHANGE.** Your first interest rate adjustment will be after 60 Months. Thereafter, your interest rate can change annually (every 12 payments). Your interest rate cannot increase more than 6.000 percentage points above the initial interest rate during the term of the loan. Your interest rate cannot decrease more than 0.000 percentage points below the initial interest rate during the term of the loan. Your interest rate cannot increase by more than 2.000 percentage points at the first rate adjustment. Thereafter, your interest rate cannot increase by more than 2.000 percentage points at any rate adjustment. Your interest rate cannot decrease by more than 0.000 percentage points at the first rate adjustment. Thereafter, the interest rate cannot decrease by more than 2.000 percentage points at any rate adjustment.

This loan program is subject to automatic interest rate adjustments; decreases in the Index used to make interest rate adjustments will, subject to any limitations described above, result in a reduced interest rate; increases will, at Lender's discretion and subject to any limitations, result in increases in the interest rate. In the event that Lender elects not to implement a permissible increase in the interest rate, Lender reserves the right to implement the increase at a later time.

**HOW YOUR PAYMENTS CAN CHANGE.** Your payments will be determined by the interest rate, loan balance, and the remaining loan term. An increase in the interest rate will result in higher payment amounts. Your payments can increase or decrease substantially based on changes in the interest rate. Payments are due monthly. The first payment change for this loan program does not occur with the same frequency as later payment changes. The first payment change for this loan program will occur after 60 Months (60 payments). Thereafter, your payments can change annually (every 12 payments). If you still owe amounts on your loan on the maturity date, you will pay those amounts in full on that date.

**ADDITIONAL LOAN PROGRAM FEATURES.** Someone buying your home cannot assume the remainder of your loan on the original terms.

**EXAMPLES.** To give you an example of how this loan program would work, if you had a \$10,000.00 loan with an initial rate of 7.580% (the rate determined by taking the Index value for 2024 shown below, plus the margin), the maximum amount that the interest rate can rise is 6.000 percentage points to 13.580%. If your payments were due monthly and your loan term was for:

- 30.000 years, amortized over 360 payments, your payment could rise from a first year payment of \$70.47 to a maximum of \$110.13 in the 8th year.

The above example uses a periodic cap of 2.000 percentage points and a life cap of 6.000 percentage points in calculating the maximum interest rate and maximum payment.

The example below shows you how your payments would have changed under this loan program based on actual changes in the Index from 2010 to 2024. This does not necessarily indicate how your Index will change in the future. The example is based on the following assumptions:

Amount of Loan: \$10,000.00  
 Interest Rate Carryover: No  
 Margin: 2.750%  
 Interest Adjustment: annually  
 Payment Adjustment: annually  
 Lifetime Rate Increase Cap: 6.000 pct pts.  
 Periodic Rate Increase Cap: 2.000 pct pts.  
 First Adjustment Increase Cap: 2.000 pct pts.  
 Rounding: None

Term: 30.000 years  
 Negative Amortization: No  
 Interest Rate Discount: None  
 First Interest Adjustment: after 60 payments  
 First Payment Adjustment: after 60 payments  
 Lifetime Rate Decrease Cap: 0.000 pct pts.  
 Periodic Rate Decrease Cap: 2.000 pct pts.  
 First Adjustment Decrease Cap: 0.000 pct pts.

Index: the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year as of the rate in effect as of the first week ending in January.

				Term 1 30.000 Years	
Year	Index	Margin*	Rate	Payment	Balance
2010	0.470%	2.750%	3.220%	\$43.36	\$9,798.73
2011	0.290%	2.750%	3.220%	\$43.36	\$9,590.88
2012	0.120%	2.750%	3.220%	\$43.36	\$9,376.25
2013	0.150%	2.750%	3.220%	\$43.36	\$9,154.59
2014	0.130%	2.750%	3.220%	\$43.36	\$8,925.67
2015	0.250%	2.750%	3.220% ***	\$43.36	\$8,689.29
2016	0.660%	2.750%	3.410%	\$44.22	\$8,451.26
2017	0.860%	2.750%	3.610%	\$45.12	\$8,210.97
2018	1.700%	2.750%	4.450%	\$48.83	\$7,985.86
2019	2.580%	2.750%	5.330%	\$52.73	\$7,773.62
2020	1.570%	2.750%	4.320%	\$48.43	\$7,523.36
2021	0.110%	2.750%	3.220% ***	\$44.16	\$7,231.40
2022	0.410%	2.750%	3.220% ***	\$44.16	\$6,929.90
2023	4.730%	2.750%	5.220% **	\$51.31	\$6,669.76
2024	4.830%	2.750%	7.220% **	\$58.68	\$6,439.63

\* This is a margin we have used recently.  
 \*\* This rate reflects the periodic rate change cap.  
 \*\*\* This rate reflects the lifetime rate change cap.

To see what your payment would have been during that period, divide your desired loan amount by 10,000; then multiply payments by that amount (for example, in 2024 the monthly payment for a loan amount of \$80,000 taken out in 2010 would be \$80,000 divided by 10,000 = 8; 8 x \$58.68 = \$469.44 per payment).

**NOTICE OF INTEREST RATE AND PAYMENT ADJUSTMENTS.** You will receive an initial interest rate and payment adjustment notice 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. You will also receive ongoing interest rate and payment adjustment notices 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. The notices will contain information about the adjustment, including the interest rate, payment amount, and loan balance.