

**First State Bank of St Charles**  
**Adjustable Rate Mortgage Disclosure**  
**LIBOR ARM Products**

<b>HOW YOUR INTEREST RATE AND PAYMENT ARE DETERMINED</b>			
Your interest rate will be based on an index rate plus a margin. The Index is the one year USD LIBOR (London Interbank Offer Rate) index values and are published in the Wall Street Journal. Please ask us for the amount of our current interest rates and margins. Your initial interest rate may not be based on the index used to make future adjustments. It may be either a discounted or premium rate. Please ask us for the amount of our current discounts and premiums. Your payments will be based on the interest rate, loan balance, and the remaining loan term.			
<b>HOW YOUR INTEREST RATE CAN CHANGE</b>			
	1/1 LIBOR	3/1 LIBOR	5/1 LIBOR
Your interest rate can change.	The first interest rate change will occur after 12 months.	The first interest rate change will occur after 36 months.	The first interest rate change will occur after 60 months.
After the first interest rate change, your interest rate will change annually.			
Each time your interest rate changes, the new interest rate will equal the sum of the index plus the margin, subject to the following limits: Your interest rate will be rounded to the nearest 1/8%; Your interest rate will not increase or decrease more than 2% at the first adjustment; ask us about which adjustment will apply to your loan. Your interest rate will not increase or decrease more than 2% at subsequent adjustments from the initial interest rate excluding any buy down. Your interest rate will never be greater than 5% above the initial interest rate or lower than 3.5%.			
<b>HOW YOUR PAYMENTS CAN CHANGE</b>			
Your payment can change each time the interest rate changes and can increase or decrease based on changes in the interest rate. You will be notified in writing at least 60 days but no 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 notice will contain information about the adjustment including the interest rate, payment amount, and loan balance. You will also 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 interest rate, payment amount, and loan balance.			
<b>ADDITIONAL FEATURES OF YOUR ARM LOAN</b>			
Someone buying this property cannot assume the remaining balance due under the original terms. This loan does not have a demand feature. This loan does not have an option for you to convert your adjustable interest rate to a fixed interest rate. Disclosures for other ARM programs are available upon request.			

<b>EXAMPLE (based on LIBOR + margin, a \$10,000 loan amount, and a 30 year term)</b>			
	1/1 LIBOR	3/1 LIBOR	5/1 LIBOR
Initial Interest Rate (as of March 2018)	6.00%	6.00%	6.00%
Maximum Interest Rate	11.00%	11.00%	11.00%
Initial Monthly Payment	12 payments of \$59.96	12 payments of \$59.96	12 payments of \$59.96
Year Maximum Rate and Payment Can Be Reached	Year 4	Year 6	Year 8
Maximum Payment	\$92.91	\$91.20	\$89.37
To see what your payment would be, divide your loan amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a loan of \$60,000 would be (\$60,000/\$10,000 = 6, and multiplying by the initial monthly payment shown in the above Example as follows:			
	1/1 LIBOR	3/1 LIBOR	5/1 LIBOR
Initial monthly payment for a \$60,000 loan amount	\$359.76	\$359.76	\$359.76

<b>EXAMPLE (based on a premium interest rate, a \$10,000 loan amount, and a 30 year term)</b>			
	1/1 LIBOR	3/1 LIBOR	5/1 LIBOR
Initial Interest Rate (as of March 2018)	6.125%	6.25%	6.50%
Maximum Interest Rate	11.125%	11.25%	11.50%
Initial Monthly Payment	12 payments of \$60.76	36 payments of \$61.57	60 payments of \$63.21
Year Maximum Rate and Payment Can Be Reached	Year 4	Year 6	Year 8
Maximum Payment	\$93.87	\$93.17	\$93.36
To see what your payment would be, divide your loan amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a loan of \$60,000 would be $(\$60,000/\$10,000 = 6)$ , and multiplying by the initial monthly payment shown in the above Example as follows.			
	1/1 LIBOR	3/1 LIBOR	5/1 LIBOR
Initial monthly payment for a \$60,000 loan amount	\$364.56	\$369.42	\$379.26

<b>EXAMPLE (based on a discounted interest rate, a \$10,000 loan amount, and a 30 year term)</b>			
	1/1 LIBOR	3/1 LIBOR	5/1 LIBOR
Initial Interest Rate (as of March 2018)	5.50%	5.75%	5.875%
Maximum Interest Rate	10.50%	10.75%	10.875%
Initial Monthly Payment	12 payments of \$56.78	36 payments of \$58.36	60 payments of \$59.15
Year Maximum Rate and Payment Can Be Reached	Year 4	Year 6	Year 8
Maximum Payment	\$88.93	\$89.24	\$88.37
To see what your payment would be, divide your loan amount by \$10,000, then multiply the monthly payment by that amount. For example, the monthly payment for a loan of \$60,000 would be $(\$60,000/\$10,000 = 6)$ , and multiplying by the initial monthly payment shown in the above Example as follows.			
	1/1 LIBOR	3/1 LIBOR	5/1 LIBOR
Initial monthly payment for a \$60,000 loan amount	340.68	\$350.16	\$354.90