

# EARLY ARM DISCLOSURE STATEMENT

Citizens Community Bank, Division of Glacier Bank  
253 S. Main Street  
Pocatello, ID 83204

**ADJUSTABLE RATE MORTGAGE ("ARM")**  
**IMPORTANT MORTGAGE LOAN INFORMATION – PLEASE READ CAREFULLY**  
**PROGRAM NAME: Portfolio 5/1 ARM**  
**INDEX: UST1YW CAPS: 2.000/2.000/5.000**

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

**GENERAL DESCRIPTION OF AN ADJUSTABLE RATE MORTGAGE LOAN:** This loan is an Adjustable Rate Mortgage loan. The applicable interest rate and monthly payments may change from time to time based upon the movements of an interest rate index. This ARM program is 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. If the Index for the ARM is no longer available, the Lender or the transferee of the Note and Security Instrument, who is entitled to receive payments under the Note, will chose a new Index based on comparable information.

You should read carefully this disclosure and the promissory note, deed of trust or mortgage, any riders and all other documents that you will be asked to sign if we offer an ARM 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 by us at any time without notice.

**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 this ARM program will be based on an interest rate index (referred to in this disclosure as the "Index"). The Index is **UST1YW**. The current value of the index is published weekly by the Federal Reserve Board in Statistical Release H.15 (519) and is also commonly published in financial publications such as the *Wall Street Journal*. Information about this Index can also be found at [www.federalreserve.gov](http://www.federalreserve.gov). If the Index for your ARM is no longer available, the Lender or the transferee of the Note and Security Instrument, who is entitled to receive payments under the Note, will choose a new index based on comparable information.

-Treasury (referred to in this document as **UST1YW**): The Index is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year.

-Treasury (referred to in this document at **UST5YW**): The Index is the weekly average yield on United States Treasury securities adjusted to a constant maturity of five years.

-LIBOR (referred to in this disclosure as **LIBOR12M**): The Index is the average of interbank offered rates for one year US dollar-denominated deposits in the London market ("LIBOR") as published in the *Money Rate section of the Wall Street Journal*.

**Interest Rate:** The interest rate is based on the Index value, plus the margin, rounded to the nearest 0.125%. A change in the index 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. Your rate will not go below 3.000%.

**Interest Rate Adjustments:** Your interest rate under this ARM program can change every 12 months, after the first rate change date 60 months from the date of the Note. Your interest rate cannot increase or decrease by more than 2.000 percentage points at the first adjustment. Thereafter, 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 during the term of the loan or decrease lower than 3.000% interest rate during the term of the loan.

**Initial Interest Rate Premium or Discount:** The initial interest rate being offered is not based on the interest rate formula described above. It may be "premium" priced, which means the rate being offered is higher than the interest rate you would calculate today by the interest rate formula. Loans also may be "discount" priced, which means the initial rate is lower than the rate calculated by the interest rate formula. In the event your initial interest rate equals the index rate plus the margin as described in the formula above, your rate will not have a discount or a premium rate. Ask your mortgage representative for the amount of the discount or premium on 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 term. Your payment will be set to amortize the loan over a period of 360 months.

**Frequency of Payment Changes:** Based on increases or decreases in the Index, payment amounts under the ARM program can change every 12 months, after the first rate change date 60 months from the date of the Note. However, your monthly payment amount could change more frequently if there is a change in the taxes, assessments, insurance premiums, or other charges required to be made into an escrow or impound account.

**HOW YOUR PAYMENT CAN CHANGE** (“Worst Case Scenario”). On a \$10,000 loan with a 360- month term the initial rate is 3.625% (Index value of 0.070% (Index Date:09/01/2021) plus a margin of 3.000%, rounded to the nearest .125%, plus a premium of 0.500 %). The maximum amount that the interest rate can rise under this ARM program is 5.000 percentage points above the initial interest rate and the payment can rise from a first-year payment of \$45.61 to a maximum of \$72.46 in the 8th year. The periodic payment may increase or decrease substantially depending on changes in the rate.

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:  $\$60,000 \div \$10,000 = 6$ ;  $6 \times 45.61 = \$273.66$  monthly).

**Adjustment Notice:** You will be notified at least annually if interest rate changes occur. When an interest rate change will also involve a change in your monthly payment, you will be notified in writing (at least 60 calendar days, but not more than 120 calendar days) before the payment at the new level is due. The notice will indicate the adjusted payment amount, interest rate, Index value, and the outstanding loan balance at that time. In addition, you will also be notified in writing (at least 210, but not more than 240 days) before the first payment at the *initial* adjusted level is due. If the new interest rate (or the new payment calculated from the new interest rate) is not known as of the date of the initial rate adjustment disclosure an estimate shall be disclosed and labeled as such.

**PREPAYMENT PENALTY:** You may prepay this ARM loan in whole or part without penalty at any time.

**SALE OR TRANSFER OF YOUR HOME:** The loan documents contain what is commonly called a “due-on-sale clause”. This means that if you sell or transfer your home to someone else without our prior written consent, all sums owed on the promissory note and other loan documents (including the outstanding principal balance) could become immediately due and payable. This would mean that a large payment could be due at that time, and we would not be obligated to refinance the loan. Your failure to pay all sums declared due and payable at that time could result in the sale of your home, in accordance with applicable laws and regulations.

#### **APPLICANT ACKNOWLEDGEMENT**

**The Applicant, having read the contents of the above disclosure, acknowledges receipt of this Disclosure and further acknowledges that this Disclosure was completed in full prior to its receipt. The Applicant also acknowledges receipt of the handbook entitled “Consumer Handbook on Adjustable Rate Mortgages”.**