IMPORTANT ADJUSTABLE RATE MORTGAGE LOAN INFORMATION
PLEASE READ CAREFULLY
Dacotah Bank NMLS ID:412367

This Disclosure does not represent a commitment by Creditor to make a loan to you. The specific terms of your prospective loan will be contained in your Note, Security Instrument and Federal Disclosures. Please read them carefully before you sign them.

Borrower(s): 7/6 ARM 30 Year

This disclosure describes the features of the adjustable-rate mortgage (ARM) program you are considering. Information on other ARM programs is available upon request.

How Your Interest Rate and Payment is Determined

Your interest rate will be based on an index plus a margin, and your payment will be based on the interest rate, loan balance and remaining loan term. Please ask us for our current interest rates and margins.

The "Index" is a benchmark, known as the 30-day Average SOFR index. The Index is currently published by the Federal Reserve Bank of New York.

The most recent index figure available **45 days** before the adjustment date occurs will be used to determine your new interest rate. If the index used for future adjustments is no longer available, the Lender will choose a new index (and possibly margin).

Your initial interest rate is not based on the index used to make later adjustments. If the initial interest rate is below the sum of the then-current index plus margin (the “fully indexed rate”), then the initial interest rate will be a “discounted” interest rate. If the initial interest rate is above the fully indexed rate, then it will be a “premium” interest rate. Please ask us for the amount of our current interest rate discounts and premiums.

☐ The initial interest rate on your loan will be a discounted interest rate.

☐ The initial interest rate on your loan will be a premium interest rate.

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

How Your Interest Rate Can Change

Your interest rate can change after **84** month(s) and every **6** month(s) thereafter.

Your interest rate will equal the index rate plus the margin, rounded to the nearest **0.125 %.**

Your interest rate will equal the index rate plus the margin unless your interest rate "caps" limit the amount of change in the interest rate.

After the initial adjustment, your interest rate cannot increase or decrease more than **1.000** percentage points(s} at each adjustment.

Your interest rate cannot increase or decrease more than **5.000** percentage point(s) over the term of the loan.

On the first adjustment, your interest rate will not increase or decrease by more than **5.000 %**. On each subsequent adjustment, your interest rate will not increase or decrease by more than **1.000 %**.

Your interest rate will not increase by more than **5.000 %** over the term of the loan. Your interest rate will never be greater than **12.250 %** or less than **3.500 %** over the term of the loan.

How Your Payment Can Change

Your payment can change semi-annually based on changes in the interest rate.

Each time the interest rate changes your monthly payment can increase or decrease substantially based on the changes in the interest rate.

Your monthly payment can change after **84** month(s) and every **6** month(s) thereafter.

You will pay the amount of your new monthly payment beginning on the first monthly payment date after the interest rate changes until the amount of your monthly payment changes again.

You will be notified in writing at least 210 days, but not more than 240 days, before the first payment at the adjusted level is due after the initial interest rate adjustment of the loan. In addition, you will be notified at least 60 days, 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. These notices will contain information about your adjustment and interest rates, payment amount, and loan balance.

Interest Rate and Payment Change Example

For example, on a $10,000 **30** year loan with an initial interest rate of **7.250 %** (in effect in **October, 2026**) the maximum amount the interest rate can rise under this program is **5.000** percentage points to **12.250 %** and the monthly payment can rise from an initial payment of **$68.22** to a maximum of **$99.43** in the **85th** month.

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, using the initial interest rate shown above would be: $60,000 ÷ $10,000 = 6; 6 × **$68.22** = **$409.32** per month.

Demand Feature: This ARM Loan ☐ does ☒ does not have a Demand Feature.

I/We hereby acknowledge receiving and reading a copy of this disclosure and the booklet entitled “Consumer Handbook on Adjustable Rate Mortgages.”

7/6 ARM 30 YEAR **DATE**