INITIAL ARM DISCLOSURE STATEMENT

Company Name & Address:
The Adirondack Trust Company
473 Broadway
Saratoga Springs, NY 12866
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Date: **11/03/2026**

Program Name: **ATC 5/1 ARM**
Lender Name: **The Adirondack Trust Company**

IMPORTANT LOAN INFORMATION - PLEASE READ CAREFULLY

This program disclosure describes the features of the Adjustable Rate Mortgage (ARM) program you are considering. You should carefully read this disclosure; and the promissory note, deed of trust or mortgage, any riders, addendums, and all other supporting documents that you will be asked to sign if you accept an ARM loan ("ARM Loan Documents"). Information about other ARM programs is available upon request.

ADJUSTABLE RATE MORTGAGE MEANS YOUR PAYMENT MAY CHANGE IN THE FUTURE

You are applying for an ARM loan. This means that your interest rate and monthly payments may change during the life of your ARM loan. Your monthly payments will increase if the interest rate rises and decrease if it falls. The date or dates on which changes can occur (referred to in this disclosure as "Change Date") will be specified in the ARM Loan Documents.

Your initial interest rate may not be based on the index described below which is used to make later adjustments; your initial rate may include a discount or premium based on market conditions at the time the loan is made. Ask for the current interest discount or premium.

Your initial payment will be based on the initial interest rate, index and margin values, discounts, and fees.

An ARM loan is different from a fixed-rate mortgage loan. For a fixed-rate loan, the monthly payments of principal and interest do not change during the life of the loan. You should consider carefully which type of loan is best for you.

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 change on this ARM will be based on an interest rate index (referred to in this disclosure as the "Index.")
The Index is **the weekly average yield on US Treasury securities adjusted to a constant maturity of 1 year** .

Information about the Index is available in/at **Wall Street Journal** .

If the Index is no longer available, we will choose a new index based on comparable information.

Interest Rate: Your interest rate is based on **(check applicable box):**

☑ The Index value plus a margin rounded to the nearest **0.125** percent; or
☐ Other: _____

Your payment will be based on the interest rate, loan balance, and remaining loan term. A change in the Index generally will result in a change in the interest rate. The amount that your interest rate may change also may be affected by the Periodic Interest Rate Cap and the Lifetime Interest Rate Cap, as discussed below. Ask us for our current interest rates and margin.

☐ **(Applicable if Checked)** Interest rate changes are subject to the lender's discretion.

☐ **(Applicable if Checked) Initial Interest Rate Discount:** Your loan has an initial interest rate discount, therefore the initial rate being offered will not be based on the Index plus a margin interest rate formula used to make later adjustments. You should note, however, that because your initial interest rate will be discounted, your interest rate may increase on the first Change Date even if the Index remains the same or decreases. Ask us for the amount our ARM loans are currently discounted.

☐ **(Applicable if Checked) Initial Interest Rate Premium:** Your initial interest rate is not based on the index used to make later adjustments. Ask us for the current amount of our ARM premiums.

☑ **(Applicable if Checked) Interest Rate Adjustments:** Your loan has "caps" which limit the amount of interest adjustments. Your interest rate under this ARM loan can change after **60** month(s) and every **12** month(s) thereafter. Your interest rate cannot increase or decrease more than **2.000** percentage points at the first adjustment, and **2.000** percentage points per subsequent adjustment from the initial interest rate excluding any Buydown ("Periodic Interest Rate Cap"). Your interest rate will never be greater than **5.000** ("Lifetime Interest Rate Cap") percentage points above the initial interest rate or lower than **2.875** percent. If applicable, the payment during your loan will be interest only for a period of **N/A** month(s).

The Initial Interest Rate Discount discussed above will not be taken into account in applying the Periodic Interest Rate Cap or Lifetime Interest Rate Cap.

Ask us for our current adjustments and overall rate limitations.

HOW YOUR PAYMENTS ARE DETERMINED

Your initial monthly payment of principal and interest will be determined based on the interest rate, loan term, and balance when your loan is closed. 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 this ARM loan can change after __60__ month(s) and every __12__ month(s) thereafter. 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.

☐ **(Applicable if Checked)** Your monthly payment amount could also change more frequently if, as a result of unpaid interest being added to your loan balance, the maximum principal balance exceeds _____% of the original loan balance.

Limitations on Interest Rate Payment Changes (Check all applicable boxes, if any):

☐ **(Applicable if Checked) Initial Minimum Payment Rate Option:** Your ARM loan has an initial minimum payment rate option; the initial payment rate will be based on _____ for a period of _____ month(s). If applicable, the payment during this Initial Minimum Payment Rate Option period will be interest only for a period of _____ month(s). The minimum (or limited) payment may be less than the amount of interest due that month and may not reduce the amount you owe on your mortgage. If you choose this option, the amount of any interest you do not pay will be added to the principal of the ARM loan, increasing the amount you owe and your future monthly payments, and will increase the amount of interest you will pay over the life of the ARM loan. If any of your ARM loan payments is not sufficient to cover the interest due, the difference will be added to your loan amount.

☐ **(Applicable if Checked) Payment Rate Changes:** Your ARM loan has payment adjustments. Your payment will not increase or decrease by more than _____ percentage points every _____ month(s). Because your payment is limited or capped to a percentage of _____, your ARM loan will be recast, or re-amortized at or before month _____ and will re-amortize again or stop recasting at month _____. When the ARM loan is recast, it will re-amortize the ARM loan's monthly payment if negative amortization has occurred so the ARM loan will be paid off within the original loan term. If negative amortization does occur, the maximum principal balance cannot increase more than _____% of the original loan amount. If the maximum balance is reached, the ARM loan will immediately re-amortize and the ARM loan's monthly payment will be re-calculated in order to pay off the ARM loan within the original loan term. The minimum (or limited) payment may be less than the amount of interest due that month and may not reduce the amount you owe on your mortgage. The amount of any interest you do not pay will be added to the principal of the ARM loan, increasing the amount you owe and your future monthly payments, and will increase the amount of interest you will pay over the life of the ARM loan. If any of your ARM loan payments is not sufficient to cover the interest due, the difference will be added to your loan amount.

☐ **(Applicable if Checked):** Your periodic payments will not fully amortize your loan and you will be required to make a single payment of the periodic payment plus the remaining unpaid balance at the end of the loan term.

NOTICE OF INTEREST RATE AND PAYMENT CHANGES

You will 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. You will be notified at least 60, 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. This notice will contain information about the adjustment, including the interest rate, payment amount, and loan balance.

HOW YOUR PAYMENT CAN CHANGE

Your monthly payment can increase or decrease substantially based on annual changes in the interest rate.

Your payment can change every __12__ month(s) based on change in the loan term, interest rate, or loan balance. For example, on a $10,000 __360__ month(s) loan with an initial interest rate of __6.000__% in effect as of __11/03/2026__, the maximum amount that the interest rate can rise under this program is __5.000__ percentage points, to __11.000__ %, and the monthly payment can rise from first-year payment of $ __59.96__ to a maximum of $ __90.59__ in the __8th__ year. To see what your payments would be, divide your mortgage amount by $10,000; then multiple the monthly payment by that amount. For example, the monthly payment for a mortgage amount of $60,000 would be: $60,000 divided by $10,000 = 6; 6 x $ __59.96__ = $ __359.76__ per month.

IMPORTANT LOAN INFORMATION

PREPAYMENT: This ARM loan program **(check applicable box)** ☐ does (or) ☑ does not have a pre-payment penalty.
If you are paying more than your regularly scheduled payment, you must notify us as to how you want the funds applied.

DEMAND FEATURE: This loan program **(check applicable box)** ☐ does (or) ☑ does not include a demand feature.
If a demand feature applies, the lender may demand full repayment of a mortgage for any reason.

This description is for informational purposes only and does not constitute a commitment on the part of the Lender to provide financing. The ARM Loan Documents will control the terms of the ARM loan; therefore, you should become familiar with and understand the provisions of these documents. Upon execution of the ARM Loan Documents, both you and the Lender will become bound by the terms of the ARM Loan Documents.

If this program disclosure has not fully answered your questions concerning the ARM loan program you are considering, please ask your Mortgage Representative for additional information.

Borrower Acknowledgement
I/we acknowledge receipt of this disclosure and further acknowledge that this disclosure was completed in full prior to its receipt.
I/we also acknowledge receipt of the handbook entitled, "Consumer Handbook of Adjustable Rate Mortgages."

Borrower **FIVE APR ARM** Date

Borrower Date