IMPORTANT ADJUSTABLE RATE MORTGAGE LOAN INFORMATION

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PLEASE READ CAREFULLY

7/6 mo. 30-day Average SOFR Non-Convertible ARM

This disclosure notice is given to you in connection with your application for an adjustable-rate mortgage loan with DIGITAL

FEDERAL CREDIT UNION ("Lender"), and provides information that you should read. An adjustable-rate mortgage loan

("ARM") is a type of loan that permits changes in the loan interest rate. Such changes generally are based on changes in an index,

and normally result in an increase or decrease in the regular monthly loan payment. This disclosure notice describes the features of

the ARM program you are considering. Information on other ARM programs is available upon request.

How Your Interest Rate and Payment Are Determined

Your interest rate will be based on an index rate plus a margin.

Your index is the 30-day average cost of borrowing cash overnight collateralized by U.S. Treasury securities (30-day

Average SOFR). If the index is no longer available at any time during the term of the loan, a new index will be chosen as a

replacement and Lender (or the designated loan servicer) will give you advance notice of this choice.

The most recent index figure available 45 days before the adjustment date occurs will be used to determine your new

interest rate. Information about the index rate is published by the Federal Reserve Bank of New York.

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

Your interest rate will equal the index rate, plus our margin, rounded to the nearest one-eighth of one percent (0.125%)

unless interest rate "caps" limit the amount of change in the interest rate. Ask us for our current interest rate and margin.

The initial interest rate will be discounted and will not be based on the index used to make later adjustments. Ask us for the

current amount of our adjustable-rate mortgage discounts or premiums.

The periodic payment may increase or decrease substantially depending on changes in the rate.

How Your Interest Rate Can Change

Your interest rate can change at the end of seven years and every 6 months thereafter.

Your interest rate cannot increase or decrease more than FIVE percentage points at the first rate adjustment.

Your interest rate cannot increase or decrease more than ONE percentage point at each subsequent adjustment.

Your interest rate cannot increase more than FIVE percentage points above the initial interest rate and cannot decrease

below the margin over the term of the loan.

How Your Monthly Payment Can Change

Your monthly payment can change after each interest rate adjustment based on changes in the interest rate.

Your payment can change every 6 months beginning with payment number 85 based on changes in the interest rate.

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.

Maximum Interest Rate and Payment Example

On a $10,000 loan with an initial interest rate of 5.000% (in effect JANUARY, 2023, reflects an index of 4.310%, and

a margin of 3.000%), the maximum amount the interest rate can rise under this program is FIVE percentage points to

10.000%. The monthly payment can rise from an initial payment of $53.68 to a maximum of $81.54 in the EIGHTY-

FIFTH 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 divided by $10,000 = 6; 6 times $53.68 = $322.08 per month.

Demand Feature: This obligation does not contain a demand feature.

Assumption Policy: Someone buying your house cannot assume the remainder of the mortgage based upon the original terms.

Loan Term: The loan will have a term of 30 years.