

**CITY
FEDERAL
SAVINGS**

**CITY AFFORDABLE MORTGAGE PLAN
ADJUSTABLE RATE LOAN RIDER**

Notice: The security instrument secures a Note which contains provisions that:

- (1) Cause the interest rate to change periodically based on changes in an Index. The Borrower's scheduled monthly payment will also change periodically.
- (2) Allow the outstanding principal balance of the loan to increase over time. This will happen if the scheduled monthly payment is not large enough to pay all of the interest due and the Lender lends the Borrower the difference under the terms of the Note.

This Rider is made this 16th day of October, 19 84, and is incorporated into, and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to City Federal Savings and Loan Association, (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at 407 Queen Street, Mauldin, South Carolina 29662

Modifications. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. Interest Rate Changes

The Note has an "Initial Interest Rate" of 11.25 %. The Note interest rate may be increased or decreased on the first day of the month beginning on May 1, 19 85, and every 6 months thereafter. The dates on which the interest rate may change are called the "Interest Rate Change Dates."

Changes in the interest rate will be based on changes in a measure of the cost of money called the "Index". The Index will be stated as a percentage figure. The Index at the beginning of this loan is the one following the box which is marked:

- The average discount rate on twenty six week Treasury Bills as announced by the U.S. Treasury Department following its sale of these securities.
- The weekly average yield on United States Treasury Securities adjusted to a constant maturity of _____ years as published by the Federal Reserve Board in Statistical Release H-15 (519) published weekly.
- The interest rate shall not increase more than four (4) percentage points plus two (2) percentage points over the "initial interest rate" during the life of the loan.

The Lender may substitute a new measure of the cost of money as the Index if at any time the Index being used ceases to be publicly announced by its source. The substituted Index will be used to determine changes in the interest rate beginning with the first interest rate change after the substitution. Any substituted Index will be beyond the control of the Lender and will be readily available to and Verifiable by Borrower.

To set each new interest rate, the Lender will first determine the "Current Index" figure. The Current Index figure is the figure most recently available 45 days before each Interest Rate Change Date.

The Lender will round up the Current Index figure to the nearest one eighth of one percent (.125%). The Lender will add the amount of 1.00* % to the Current Index figure. The result of this addition will be the new interest rate.

- B. Monthly Payment Changes: Capitalized Interest**
*1.00 in the first 6 months, moving to 3.00 in the 7th month through maturity.

The secured indebtedness is payable in monthly installments. Monthly payments will be applied first to the interest due and then to principal. The interest due may be greater than the current amount of Borrower's scheduled monthly payment. In that case, the interest due which is greater than the Borrower's scheduled monthly payment will be advanced on Borrower's account by Lender and added to the outstanding principal balance under the Note, unless otherwise paid by Borrower. Such capitalized interest is part of the indebtedness for which the Security Instrument secures repayment.

Borrower's monthly payment for the first 36 months will be in the amount of U.S. \$ 401.76

On December 1, 19 87 and every 12 months thereafter (the "Monthly Payment Adjustment Date"), Borrower's monthly payment will also be reset. In resetting the monthly payment on those dates, the Lender will determine the amount of the monthly payment on the basis of the following factors:

- (a) the outstanding principal balance, and
- (b) the then current interest rate, and
- (c) the remaining term of the loan.

The Lender will set the monthly payment at an amount which would be sufficient to pay the loan in full over its remaining term assuming the then current interest rate does not change. In addition, the Lender may increase the Borrower's monthly payment at anytime the total of the amount of interest capitalized as provided above since the beginning of the loan reaches \$ 14,000.00.

C. Loan Charges

It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan, would exceed permitted limits. If this is the case, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note, or by making a direct payment to Borrower.

D. Prior Liens

If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument, or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

By signing this Rider, Borrower agrees to all of the above.

WITNESS:

Debbie D. Sykes
R. Lunde S. Loy

DISTRIBUTION
036 324 02 1183

Original - Attach to the original Security Instrument (Lender after recording)
Copy 2 - Attach to copy of the Security Instrument (Mortgage)

Virginia P. Brooks (Seal)
Virginia P. Brooks Borrower

(Seal)
Borrower

Copy 1 - Attach to copy of the Security Instrument (Lender)
Copy 3 - Attach to copy of the Security Instrument (Settlement Agent)

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