

## ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's adjustable rate Note (the "Note") to \_\_\_\_\_ (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

\_\_\_\_\_  
[Property Address]

### THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE PERIODIC PAYMENT

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

The Note has the following terms which provide for changes in the interest rate and periodic payments, as follows:

#### 1. INTEREST

Prior to default, interest will be charged on unpaid principal until the full amount of Principal has been paid. Borrower will pay interest at a yearly rate of \_\_\_\_\_%. The interest rate Borrower will pay will change in accordance with this Section 2.

**INITIAL ADJUSTMENT DATE.** \_\_\_\_\_.

**ORIGINAL AMORTIZATION TERM.** (10, 15 20 or 25) years.

**ADJUSTMENT FREQUENCY PERIOD.** 5 years.

**ADJUSTABLE RATE PROVISION.** The interest rate stated in this Note is subject to adjustment by the Lender or any subsequent holder of this Note on the Initial Adjustment Date and on subsequent dates established by the Adjustment Frequency Period thereafter. Any such change in the interest rate shall be made automatically but in no event shall the adjusted interest rate exceed the maximum interest rate then permitted by law. When the rate is adjusted the remaining current principal balance of the Note will be reamortized over the remaining amortization term to determine subsequent payment amounts. Lender reserves the right to not adjust the loan in the event of default. Notice of the adjusted rate and the new amortized payment will be sent to the Borrower after each interest rate adjustment.

The variable interest rate shall change to a rate that shall be determined 45 days prior to the Initial Adjustment date and any subsequent dates and be based upon the 5-year VRM servicing released net yield for 8-week delivery then being required by the Federal Agricultural Mortgage Corporation, adjusted for credit quality, plus \_\_\_\_\_%.

After default, interest will be charged on unpaid principal at the interest rate stated in Section 7 of this Note.

#### 2. SCHEDULED PAYMENTS

##### (A) Time and Amount of Payments

1 principal payment of \$\_\_\_\_\_ on [July 1/January 1], 20\_\_, with interest calculated from the date of closing on the unpaid principal; 28 consecutive semi-annual principal and interest payments of \$\_\_\_\_\_ each, beginning [January 1/July 1], 20\_\_, and the final payment of \$\_\_\_\_\_ on [July 1/January 1], 20\_\_, which is called the "Maturity Date."

**OR**

1 interest payment on [July 1/January 1, 20\_\_], with interest calculated from the date of closing on the unpaid principal balance ; 29 consecutive semi-annual principal and interest payments of \$\_\_\_\_\_ each, beginning [January 1/July 1], 20\_\_, and the final payment of \$\_\_\_\_\_ on [July 1/January 1], 20\_\_, which is called the "Maturity Date."

The scheduled principal and interest payments Borrower must pay will change if the interest rate adjusts in accordance with Section 2 of this Note. Notice of the adjusted rate and the new amortized payment will be sent to the Borrower after each interest rate adjustment.

**(B) Place of Payments**

Borrower will make payments at \_\_\_\_\_ or at a different place if required by Lender.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Borrower