

Thursday, July 28, 2022

Bulletin #2022-R-010

NOTICE TO RETAIL LOAN ORIGINATORS

IMPORTANT ANNOUNCEMENT: SOFR-Indexed ARMs and Resource Center Documentation

FLC Bank is now offering SOFR (Secured Overnight Financing Rate) Indexed ARMs on 5, 7, or 10 years, then adjust every 6 months with a 1% cap at each adjustment.

SOFR ARMs, based on the latest industry-standard Secured Overnight Financing Rate, work much like traditional LIBOR ARMs, with an initial fixed-rate that's often significantly lower than the available fixed rate. However, unlike ARMs based on the LIBOR index, SOFR ARMs adjust every six months after the initial rate expires and feature different caps at each adjustment based on the ARMs feature selected to help minimize the rate fluctuation risk for borrowers.

FLC Bank's SOFR ARM choices are available on Conventional conforming loan amounts, in addition to primary, secondary, and investment properties for purchases and both rate/term and cash-out refinance.

The following documentation has been posted in the FLC Bank Resource Center to assist you. Download the documentation via the links below:

[CLICK HERE](#) for the updated **ARM Tip Sheet** – once you import the loan, you will access the Lending Portal URLA screen which is the standard process. You will utilize the ARM Tip Sheet to input the applicable ARM information on the Loan Details Screen before you register/lock your loan.

[CLICK HERE](#) for the updated **SOFR ARM Disclosures** – these disclosures will be included in the Initial Disclosure package for our Retail Partners that disclose from FLC Bank's LOS. We are providing these samples for our Retail Partners that prepare their own Initial Disclosure packages.

If you have any questions, please contact your [Account Executive or Client Relations Representative](#).