ARM Details Tip Sheet – Listed below are instructions for keying the applicable ARM information based on product chosen in the FLCBank LOS at Import.

1. Once you have **imported your loan** and have **accessed the loan from the pipeline**. *Refer to the Resource Center, How To Submit a Loan Section for process.*
2. **Go to the Lending Portal – URLA** on the left navigation, then go to the **Loan Details Screen**.
    - **ARM Details:** Will be in the center section of the Loan Details Screen and will appear if you have selected an ARM product upon import.
        o You will **enter or ensure** the applicable ARM information fields are correct based on the product you chose by utilizing the chart below. Make sure you refer to the correct product/product code which is also in our posted Product Guidelines.
    - **Amortization Type: If you do not see the ARM Details section** and you did select the correct product. Then you need to review the Amortization field on the Loan Details screen. You need to ensure it imported over as **Adjustable Rate**. **If Fixed**, this was imported from your LOS 3.4 file. **Please update to Adjustable Rate**. Then the ARM Details section will appear.
3. **Register/Lock your loan -** *Refer to the Resource Center – How To Submit a Loan Section, Importing and Registering Category*; **utilize the OB Register-Update Registration and Lock procedures**.
4. **Go BACK to the Lending Portal – URLA** on the left navigation once you register/lock the loan, then go to the **Loan Details Screen**. Verify Data to ensure all correct and the Index populated.

ARM Details Fields: **Lending Portal - URLA** **Loan Details Screen**	**Preferred ARM Products**
1. Index Code:	1 Year Treasury - *All products*
2. Index Margin	2.875% - *All products*

3. Qualifying Rate:	- **Qualifying ARM Rate** (Conforming and Non-Conforming)
	     - **5/1 ARM** NGC51 & NGL51**:** The qualifying rate is the **greater** of the **Note Rate +2 % Or** the **Fully Indexed Rate** *
	     - **7/1 ARM** NGC71 & NGL71**, 10/1ARM** NGC10 & NGL10**, 15/1 ARM** NGC151 & NGL151: The qualifying rate is based on the **greater** of the **Note Rate or** the **Fully Indexed Rate** *
	
	 - **Qualifying Interest-Only ARM Rate** (Conforming and Non-Conforming)
	     - **5/1 ARM** P5IO & N51IO**– Interest Only:** The qualifying rate is the **greater of either**:
	        o The **Note Rate +2 %** amortized over 300 months, **or**
	        o The **Fully Indexed Rate** amortized over 300 months *
	     - **7/1 ARM** P71I**O** & N71IO**– Interest Only:** The qualifying rate is the **greater of either**:
	        o The **Note Rate** amortized over 276 months, **or**
	        o The **Fully Indexed Rate** amortized over 276 months *
	     - **10/1 ARM** P10IO & N10IO **– Interest Only:** The qualifying rate is the **greater of either**:
	        o The **Note Rate** amortized over 240 months, **or**
	        o The **Fully Indexed Rate** amortized over 240 months *
	
	 *Fully Indexed Rate is defined here as the index plus the margin which is rounded to the nearest one-eighth percent

ARM Details Fields: Lending Portal - URLA Loan Details Screen	Preferred ARM Products
4. Index Value:	Varies with CMT index per day/*week – field will populate once registered / locked*
5. 1st Change Period Months:	❖ **1st Change Period "Months" ARMS:** (Conforming and Non-Conforming) by Product Codes: • **60 Months - 5/1 ARM** NGC51, NGL51, **5/1 ARM** <u>Interest Only</u> P5IO & N51IO • **84 Months - 7/1 ARM** NGC71 & NGL71, **7/1 ARM** <u>Interest Only</u> P71IO & N71IO • **120 Months - 10/1 ARM** NGC10 & NGL10, **10/1 ARM** <u>Interest Only</u> P10IO & N10IO • **180 Months - 15/1 ARM** NGC151 & NGL15
6. 1st Change Period Cap:	• **2%** - <u>**All**</u> Preferred ARM products **except the following product** • **5%** - **15/1 ARM** NGC151 & NGL151
7. Subsequent Change Period Months:	**12 Months** *– All Preferred ARM products*
8. Subsequent Change Period Cap	**2%** *- All Preferred ARM products*
9. Floor:	**2.875%** *- All Preferred ARM products*
10. Lifetime Cap:	**5%** *- All Preferred ARM products*
11. ARM Plan	**FM Generic**, *- All Preferred ARM products*
12. Negative Amortization Type:	**No** *– All Preferred ARM products*
13. First Rate Change Date:	***N/A** – this field is system calculated from the first payment due date when the closing docs are drawn*

ARM Details Example: N51IO Preferred ARM – Interest Rate of 2.625%

The numbers on each field below corresponds to the number of the field on the instructions above.

ARM Details Fields: Lending Portal - URLA Loan Details Screen	SOFR ARM Products
1. Index Code:	**SOFR** – *All products*
2. Index Margin	**2.75%** - *All products* / 3.00% for Blue Jumbo ARMs Option 2

3. Qualifying Rate:	**Qualifying ARM Rate** (Fannie Mae and Freddie Mac AUS)
	  o **5/6 ARM –** The Borrower is qualified at the **greater** of the Fully Indexed Rate or the Note Rate plus 2%
	  o **7/6 and 10/6 ARM –** The Borrower is qualified on:
	    o The **Note Rate** for Mortgages **that are not** Higher-Priced Covered Transactions (HPCTs) or Higher-Priced Mortgage Loans (HPMLs).
	    o The **greater of the Note Rate or the Fully Indexed rate** for Mortgages **that are** HPCTs or HPMLs.
	
	*Definition of Fully Indexed Rate: The fully indexed rate is defined as the **sum of the Margin plus the Index rounded** to the nearest one-eighth of 1% (0.125%). Unless specific product terms provide otherwise, if the index plus gross margin equals a number that is equidistant between the higher and lower one-eighth percent, Freddie Mac rounds down to the nearest one-eighth percent.*
	
	Qualifying ARM Rate (Blue Jumbo ARMs Option 2)
	  o **5/6 ARM–** based on the **greater of**
	    o The Note Rate + the initial Cap (2%), **or**
	    o Fully Index Rate (Index + Margin)
	  o **7/6 and 10/6 ARM –** Unless otherwise **noted below**, the borrower is qualified based **on the initial note rate.**
	  o **For the following transactions**, the borrower is qualified based on the **greater of the Initial Note rate, or Fully Indexed rate (Index + Margin):**
	    o HPML Transactions
	    o Loans in the following states:
	      o Maryland, Massachusetts, and New Mexico

4. Index Value:	Varies with SOFR index per day/week – *field will populate once registered / locked*
5. 1st Change Period Months:	• **5/6 ARM -** 60 Months • **7/6 ARM -** 84 Months • **10/6 ARM -** 120Months
6. 1st Change Period Cap:	• **5/6 ARM –** 2% • **7/6 ARM –** 5% • **10/6 ARM –** 5%
7. Subsequent Change Period Months:	**6 Months** – *All products*
8. Subsequent Change Period Cap	**1%** - *All products*
9. Floor:	**2.75%** - *All products* / 3.00% for Blue Jumbo ARMs Option 2
10. Lifetime Cap:	**5%** - *All products*
11. ARM Plan	• **5/6 ARM –** 4927- 5/6 MOS • **7/6 ARM –** 4928- 7/6 MOS • **10/6 ARM –** 4929- 10/6 MOS

12. Negative Amortization Type:	**No** – *All products*
13. First Rate Change Date:	***N/A*** – *this field is system calculated from the first payment due date*

ARM Details Examples for 2.75% Margin/Floor:

The numbers on each field below corresponds to the number of the field on the instructions above.

5/6 ARM

7/6 ARM

10/6 ARM