

**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.
    - 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 - <i>All products</i>
2. Index Margin	2.875% - <i>All products</i>
3. Qualifying Rate:	<ul style="list-style-type: none"> <li>• <b>Qualifying ARM Rate</b> (Conforming and Non-Conforming)               <ul style="list-style-type: none"> <li>• <b>5/1 ARM</b> NGC51 &amp; NGL51: The qualifying rate is the <b>greater</b> of the <b>Note Rate +2 % Or the Fully Indexed Rate</b> *</li> <li>• <b>7/1 ARM</b> NGC71 &amp; NGL71, <b>10/1ARM</b> NGC10 &amp; NGL10, <b>15/1 ARM</b> NGC151 &amp; NGL151: The qualifying rate is based on the <b>greater</b> of the <b>Note Rate or the Fully Indexed Rate</b> *</li> </ul> </li> <li>• <b>Qualifying Interest-Only ARM Rate</b> (Conforming and Non-Conforming)               <ul style="list-style-type: none"> <li>• <b>5/1 ARM</b> P5IO &amp; N51IO– <b>Interest Only</b>: The qualifying rate is the <b>greater of either</b>:                   <ul style="list-style-type: none"> <li>○ The <b>Note Rate +2 %</b> amortized over 300 months, <b>or</b></li> <li>○ The <b>Fully Indexed Rate</b> amortized over 300 months *</li> </ul> </li> <li>• <b>7/1 ARM</b> P71IO &amp; N71IO– <b>Interest Only</b>: The qualifying rate is the <b>greater of either</b>:                   <ul style="list-style-type: none"> <li>○ The <b>Note Rate</b> amortized over 276 months, <b>or</b></li> <li>○ The <b>Fully Indexed Rate</b> amortized over 276 months *</li> </ul> </li> <li>• <b>10/1 ARM</b> P10IO &amp; N10IO – <b>Interest Only</b>: The qualifying rate is the <b>greater of either</b>:                   <ul style="list-style-type: none"> <li>○ The <b>Note Rate</b> amortized over 240 months, <b>or</b></li> <li>○ The <b>Fully Indexed Rate</b> amortized over 240 months *</li> </ul> </li> </ul> </li> </ul> <p><i>*Fully Indexed Rate is defined here as the index plus the margin which is rounded to the nearest one-eighth percent</i></p>

ARM Details Fields: Lending Portal - URLA Loan Details Screen	Preferred ARM Products
4. Index Value:	Varies with CMT index per day/week – <i>field will populate once registered / locked</i>
5. 1 <sup>st</sup> Change Period Months:	❖ 1 <sup>st</sup> Change Period “Months” ARMS: (Conforming and Non-Conforming) by Product Codes: <ul style="list-style-type: none"> <li>60 Months - 5/1 ARM NGC51, NGL51, 5/1 ARM <b>Interest Only</b> P51O &amp; N51IO</li> <li>84 Months - 7/1 ARM NGC71 &amp; NGL71, 7/1 ARM <b>Interest Only</b> P71IO &amp; N71IO</li> <li>120 Months - 10/1 ARM NGC10 &amp; NGL10, 10/1 ARM <b>Interest Only</b> P10IO &amp; N10IO</li> <li>180 Months - 15/1 ARM NGC151 &amp; NGL15</li> </ul>
6. 1 <sup>st</sup> Change Period Cap:	<ul style="list-style-type: none"> <li>2% - <b>All</b> Preferred ARM products <b>except the following product</b></li> <li>5% - 15/1 ARM NGC151 &amp; NGL151</li> </ul>
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**

1. Index Code  
1-Year Treasury

2. Index Margin  
2.875

3. Qualifying Rate  
4.625

4. Index Value  
0.08

5. 1<sup>st</sup> Change Period:  
Months  
60

6. Cap  
2

7. Subsequent Change  
Period:  
Months  
12

8. Cap  
2

9. Floor  
2.875

10. Lifetime Cap  
5

11. ARM Plan  
FM Generic,...

12. Negative Amortization Type  
No Negative Amortization

13. First Rate Change Date

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. Qualifying Rate:	<p><b>Qualifying ARM Rate (Fannie Mae and Freddie Mac AUS)</b></p> <ul style="list-style-type: none"> <li>5/6 ARM – The Borrower is qualified at the <b>greater</b> of the Fully Indexed Rate or the Note Rate plus 2%</li> <li>7/6 and 10/6 ARM – The Borrower is qualified on: <ul style="list-style-type: none"> <li>The <b>Note Rate</b> for Mortgages <b>that are not</b> Higher-Priced Covered Transactions (HPCTs) or Higher-Priced Mortgage Loans (HPMLs).</li> <li>The <b>greater of the Note Rate or the Fully Indexed rate</b> for Mortgages <b>that are</b> HPCTs or HPMLs.</li> </ul> </li> </ul> <p><b>Definition of Fully Indexed Rate:</b> The fully indexed rate is defined as the <b>sum of the Margin plus the Index rounded to the nearest one-eighth of 1% (0.125%)</b>. 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.</p> <p><b>ARM Qualifying Interest Rate Payments: (Gold Jumbo product – manual underwriting)</b></p> <ul style="list-style-type: none"> <li>5/6 ARM: The Borrower is qualified at the greater of the Fully Indexed Rate or the Note Rate plus 2%.</li> <li>7/6 ARM: The Borrower is qualified on the Note Rate.</li> </ul> <p><b>Definition of Fully Indexed Rate:</b> The fully indexed rate is defined as the index plus the margin rounded to the nearest one-eighth (0.125%) percent. Unless specific product terms are provided otherwise, if the index plus gross margin equals a number that is equidistant between the higher and lower one-eighth percent, Fannie Mae rounds down to the nearest one-eighth percent.</p> <p>The applicable index value that determines the fully indexed rate is any index value in effect during the 90 days preceding the note date.</p>
4. Index Value:	Varies with SOFR index per day/week – <i>field will populate once registered / locked</i>
5. 1 <sup>st</sup> Change Period Months:	<ul style="list-style-type: none"> <li>5/6 ARM - 60 Months</li> <li>7/6 ARM - 84 Months</li> <li>10/6 ARM – 120 Months - <b>not applicable for Gold Jumbo product</b></li> </ul>
6. 1 <sup>st</sup> Change Period Cap:	<ul style="list-style-type: none"> <li>5/6 ARM – 2%</li> <li>7/6 ARM – 5%</li> <li>10/6 ARM – 5% - <b>not applicable for Gold Jumbo product</b></li> </ul>
7. Subsequent Change Period Months:	6 Months – All products
8. Subsequent Change Period Cap	1% - All products
9. Floor:	2.75% - All products
10. Lifetime Cap:	5% - All products

11. ARM Plan	<ul style="list-style-type: none"> <li>5/6 ARM – 4927- 5/6 MOS</li> <li>7/6 ARM – 4928- 7/6 MOS</li> <li>10/6 ARM – 4929- 10/6 MOS - <b>not applicable for Gold Jumbo product</b></li> </ul>
12. Negative Amortization Type:	<b>No</b> – All products
13. First Rate Change Date:	<b>N/A</b> – 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

**ARM Details**

1 Index Code  
SOFR

2 Index Margin 2.75 3 Qualifying Rate 6.25 4 Index Value 1.016

1st Change Period: 5 Months 60 6 Cap 2

Subsequent Change Period: 7 Months 6 8 Cap 1

9 Floor 2.75 10 Lifetime Cap 5 11 ARM Plan 4927- 5/6 MOS

12 Negative Amortization Type  
No Negative Amortization

13 First Rate Change Date  
08/01/2027

### 7/6 ARM

**ARM Details**

1 Index Code  
SOFR

2 Index Margin 2.75 3 Qualifying Rate 5.25 4 Index Value 1.016

1st Change Period: 5 Months 84 6 Cap 5

Subsequent Change Period: 7 Months 6 8 Cap 1

9 Floor 2.75 10 Lifetime Cap 5 11 ARM Plan 4928- 7/6 MOS

12 Negative Amortization Type  
No Negative Amortization

13 First Rate Change Date  
08/01/2029

### 10/6 ARM - not applicable for Gold Jumbo product

**ARM Details**

1 Index Code  
SOFR

2 Index Margin 2.75 3 Qualifying Rate 4.625 4 Index Value 1.016

1st Change Period: 5 Months 120 6 Cap 5

Subsequent Change Period: 7 Months 6 8 Cap 1

9 Floor 2.75 10 Lifetime Cap 5 11 ARM Plan 4929- 10/6 MOS

12 Negative Amortization Type  
No Negative Amortization

13 First Rate Change Date  
08/01/2032