



CORRESPONDENT ANNOUNCEMENT 2021-7

May 11, 2021

SOFR Adjustable-Rate Mortgage (ARM)

first community mortgage

FCM is pleased to announce the re-instatement of ARM programs to include three (3) new types of adjustable-rate mortgages for Conforming products.

Summary

The unique properties of each are outlined below and are based on the 30-day Secured Overnight Financing Rate (SOFR) index as published by the NY Fed.

- 30 Year ARM
- Minimum Credit Requirement:
 - FNMA Files [DU] - 620
 - FHLMC Files [LP] - 620

Program Code	ARM Type	Margin/Floor	First Rate Change Cap	Subsequent Rate Change Cap	Life Cap (Ceiling)	Qualifying Rate
C56ARM	5 Year (5yr/6m)	3%	2%	1%	5%	Greater of the fully Indexed Rate or Note Rate + 2%
C76ARM	7 Year (7yr/6m)	3%	5%	1%	5%	Greater of the fully Indexed Rate or Note Rate
C106ARM	10 Year (10yr/6m)	3%	5%	1%	5%	