

October 23, 2015

As a reminder, Impac's Alt QM™ ARM loan products must use the interest rate on the Note as the Interest Rate Floor. Impac's daily rate sheet will now include the following reminder:

Alt QM									
		Alt Investor							
<b>Prepay Penalty</b>	None	1yr	2yr	3yr					
LLPA		0.250	0.625	1.250					
Max Price	102.000	102.250	102.625	103.250					
ARM Only									
		Minimum Rates							
	Max Price	Min Price	Margins	5/1	7/1	10/1	15yr FRM	30yr FRM	
Agency Plus	102.000	99.000	3.500	4.250	4.500	4.750	4.625	5.500	
Alternative Doc	102.000	99.000	4.125	4.500	4.750	5.000	4.875	5.750	
Alt Investor	PP Matrix	99.000	4.750	5.500	6.000	6.750	6.500	n/a	
* Indexed to 1yr Libor + margin after fixed period, Interest Rate Floor equals Note Start Rate									
Final Note Rate = Base Rate + Product/Amort Adj + LLRA's									

Adjustable Rate details for the Note and Rider are outlined below:

<b>Interest Rate Adjustment Caps</b>	5/1, 7/1 & 10/1 ARM (2/2/5) Initial: 2% up/down – Subsequent: 2% up/down – Lifetime: 5% up
<b>Margin</b>	Refer to rate sheet
<b>Index</b>	1-Year LIBOR (London InterBank Offer Rate)
<b>Index Establish Date</b>	45 days prior to the change date (aka "look back period")
<b>Interest Rate Floor</b>	Note Start Rate
<b>Conversion Option</b>	None
<b>Assumption</b>	ARM products are assumable to a qualified borrower after the fixed term
<b>Negative Amortization</b>	None
<b>Interest Only Option</b>	Available for fixed period of ARMs
<b>Notes / Riders</b>	FNMA 3528 / 3187 (Fully Amortizing loans) FNMA 3530 / 3187 (Interest Only loans)

### Insert sentence highlighted below for Interest Rate Floor in the Note and Rider:

The example below has a start rate of 6.625%. This establishes the Interest Rate Floor – which is shown for both the first Change Date and the sentence added.

#### (D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than **8.625 %** or less than **6.625 %**. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than **TWO** percentage point(s) ( **2.000 %** ) from the rate of interest I have been paying for the preceding **12** month(s). My interest rate will never be greater than **11.625 %**. **My interest rate will never be less than the start rate or 6.625 %.**

***Impac thanks you for your patience and continued business.***

*If you have any questions, contact your salesperson or relationship manager at 888-850-0259 Option 1.*