



Correspondent Seller

iQM ARM Loans

August 24, 2016

Recent changes made by Fannie Mae and Freddie Mac require ARM Notes and ARM Riders to specify that the interest rate can never go below the ARM's margin. Refer to Freddie Mac's Bulletin 2016-12 issued June 29, 2016 and Fannie Mae's Selling Guide Announcement SEL-2016-05 issued June 28, 2016. These agencies encourage lenders to use the updated documents immediately, but must do so for mortgage loans with Note Dates on or after October 1, 2016.

This Fannie Mae/Freddie Mac change does not apply to Impac's iQM ARM loans.

As a reminder, Impac's iQM ARM loan products must use the initial interest rate (Note Start Rate) found on the Note as the floor rate, which is required to be stated in Section 4D of the Note and Security Instrument Riders.

Note: Impac will not purchase iQM ARM loans with the margin as the floor.

We thank you for your continued business.

If you have any questions, contact your Relationship Manager at 888-850-0259 Option 1 or your Account Executive.