

## Tech Notes – ARM Adjustments – webEntry Display

This tech note describes changes made to the TERMS screen for webEntry. Any questions please call ICC Customer Service Department at (888) 437-3627.

Changes made:

- ICC has modified the ARM adjustment area to display more detail.

Listed below are examples of different ARM products and what the screen will display

### EXAMPLE 1 – No Rate Caps (Fully Indexed)

ARM INFO			
BASIC			
Margin	1.750 %	Max. Note Rate	<input type="text" value="12.000"/> %
Index	1.250 %	Min. Note Rate	<input type="text" value="1.750"/> %
RATE CAP			
<b>Adjustment Frequency</b>		<b>Cap Increase</b>	<b>Cap Decrease</b>
6		FULLY INDEXED	FULLY INDEXED

The above reflects a loan that has no rate caps, which means at each interest rate change, the interest rate will adjust to the margin + index = fully indexed amount

### EXAMPLE 2 – Rate Caps

ARM INFO			
BASIC			
Margin	1.750 %	Max. Note Rate	<input type="text" value="8.500"/> %
Index	1.250 %	Min. Note Rate	<input type="text" value="1.750"/> %
RATE CAP			
<b>Adjustment Frequency</b>		<b>Cap Increase</b>	<b>Cap Decrease</b>
24		3.000	3.000
6		1.000	1.000
6		1.000	1.000
...		...	...

Fixed 2 years, then adjustments every 6 months – First adjustment can increase or decrease as much as 3%, and 1% thereafter.

### EXAMPLE 4 – Possible Negative Amortization Loan (NegAm)

ARM INFO			
BASIC			
Margin	1.750 %	Max. Note Rate	<input type="text" value="9.950"/> %
Index	1.250 %	Min. Note Rate	<input type="text" value="1.750"/> %
RATE CAP			
<b>Adjustment Frequency</b>		<b>Cap Increase</b>	<b>Cap Decrease</b>
3			
1			
PAYMENT CAP			
Adjustment Frequency	12 mos	Cap Increase	7.500 %
Mos. to 1st Adjustment	12 mos	Cap Decrease	7.500 %
		Max. Principal Balance	0.115 %

The above loan reflects a NegAm loan. It does not have any interest rate adjustment but has a payment cap limit.