

Announcement # 22-20

Date: March 3, 2022

March Product Highlight | Conforming SOFR ARMs

Pennymac Correspondent released Conforming SOFR-indexed ARMs for both our Delegated and Non-Delegated clients on February 11. We are excited to expand our suite of available products and continue to provide value to our Correspondents.

The new SOFR ARMs are eligible with the following existing products:

- Fannie Mae Standard and High Balance
- Freddie Mac Standard and Super Conforming
- Fannie Mae HomeReady
- Freddie Mac Home Possible
- Fannie Mae HomeStyle Renovation (Delegated Only)

Pennymac Conforming SOFR ARMs		
Interest Rate Index	30 Day Average SOFR (NY Fed)	
Initial Fixed Period	5, 7, 10 Year (5/6, 7/6, 10/6 ARMs)	
Interest Rate Adjustment Period	6 Months	
Lookback Period	New rate determined 45 days in advance	
Initial Adjustment Cap	+/-2% for 5 Year ARMs +/-5% for 7, 10 Year ARMs	
Subsequent Adjustment Cap	+/-1%	
Lifetime Adjustment Cap	5%	
Margin	Delegated 2.75% - 3.00%	Non-Delegated 2.75%

For more information on the SOFR ARMs, please see the [Conforming SOFR ARM Overview](#) and the product profiles.

Please contact your Sales Representative with any questions.

