



### **Freddie Mac Announces New SOFR ARM Prefixes**

Beginning November 16, 2020 for settlements December 1, 2020 and later, Freddie Mac will commence purchasing ARM products that use an index based on the 30-day average of the Secured Overnight Financing Rate (SOFR) that will be published by the Federal Reserve Bank of New York. Eligible SOFR ARMs will have the following prefixes and product characteristics.

Prefix	Prefix Description	Interest and Payment Adjustment Index Lead Days Count	Initial Fixed Period Effective Months Count	Per Change Rate Adjustment Frequency Months Count	Initial Cap	Periodic Cap	Life Cap
<b>8A</b>	3-Year 6-Month 30-Day Average SOFR	45	36	6	2	1	5
<b>8B</b>	5-Year 6-Month 30-Day Average SOFR	45	60	6	2	1	5
<b>8C</b>	7-Year 6-Month 30-Day Average SOFR	45	84	6	5	1	5
<b>8D</b>	10-Year 6-Month 30-Day Average SOFR	45	120	6	5	1	5

The [prefix library](#) posted on Freddie Mac’s MBS website now includes the new 75-day SOFR ARM prefixes. More detail on Freddie Mac’s SOFR changes can be found in the April 1 [Guide Bulletin](#).

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