



# Freddie Mac Sales Tips – ARMs At A Glance

## Single Family

You'll also find this information on the following pages in *Single-Family Seller/Service Guide Exhibit 17S*.

ARMs Eligible Under WAC ARM Cash (Initial Interest Mortgages not included) Selling System Only									
ARM Product	ARM Index Source Code	Lookback <sup>L</sup> Period (days)	Initial Period <sup>8I</sup> (months)	Subsequent Adjustment Period (months)	Initial Cap %	Periodic Cap %	Life Cap %	Convertible (Yes or No)	Conversion Process
<b>1-Year Weekly Constant Maturity Treasury (CMT) Index</b>									
1-year	004	45	12	12	1	1	6	No	N/A
1-year	004	45	12	12	2	2	6	No	N/A
3/1	004	45	36	12	2	2	6	No	N/A
5/1	004	45	60	12	2	2	5	No	N/A
5/1	004	45	60	12	5	2	5	No	N/A
7/1	004	45	84	12	5	2	5	No	N/A
10/1	004	45	120	12	5	2	5	No	N/A
<b>1-Year LIBOR Index</b>									
1-year	041	45	12	12	2	2	6	No	N/A
1-year	041	45	12	12	3	3	6	No	N/A
3/1	041	45	36	12	2	2	5 or 6	No	N/A
3/1	041	45	36	12	3	2	6	No	N/A
5/1	041	45	60	12	2	2	5 or 6	No	N/A
5/1	041	45	60	12	3	2	6	No	N/A
5/1	041	45	60	12	5	2	5	No	N/A
7/1	041	45	84	12	5	2	5	No	N/A
10/1	041	45	120	12	5	2	5	No	N/A

**Legends:**

7 Lookback Period – “45” means 45 days preceding the Interest Change Date; “FBD” means the First Business Day of the month immediately preceding the month in which the Interest Change Date occurs. Adjustable-rate Mortgage (ARM) products with different Lookback Periods are pooled separately.

8 The Initial Period may be shorter or longer than the number of months specified, see Section 30.7(a)

ARMs Eligible Under WAC ARM Guarantor <sup>9</sup> (Initial Interest Mortgages not included) Selling System Only									
ARM Product	ARM Index Source Code	Lookback <sup>7</sup> Period (days)	Initial Period <sup>8</sup> (months)	Subsequent Adjustment Period (months)	Initial Cap %	Periodic Cap %	Life Cap %	Convertible (Yes or No)	Conversion Process
<b>1-Year Contant Maturity Treasury (CMT) Index</b>									
1-year	004	FBD or 45	12	12	1	1	5 or 6	No	N/A
1-year	004	FBD or 45	12	12	2	2	5 or 6	No	N/A
3/1	004	FBD or 45	36	12	2	2	5 or 6	No	N/A
3/1	004	FBD or 45	36	12	3	2	5 or 6	No	N/A
5/1	004	FBD or 45	60	12	2	2	5 or 6	No	N/A
5/1	004	FBD or 45	60	12	3	2	5 or 6	No	N/A
5/1	004	FBD or 45	60	12	5	2	5 or 6	No	N/A
7/1	004	FBD or 45	84	12	2	2	5 or 6	No	N/A
7/1	004	FBD or 45	84	12	3	2	5 or 6	No	N/A
7/1	004	FBD or 45	84	12	5	2	6	No	N/A
7/1	004	FBD or 45	84	12	*	2	**	No	N/A
10/1	004	FBD or 45	120	12	2	2	5 or 6	No	N/A
10/1	004	FBD or 45	120	12	3	2	5 or 6	No	N/A
10/1	004	FBD or 45	120	12	5	2	6	No	N/A
10/1	004	FBD or 45	120	12	*	2	**	No	N/A
<b>3-Year Weekly Constant Maturity Treasury (CMT) Index</b>									
3-Year	002	FBD or 45	36	36	2	2	5 or 6	No	N/A
<b>5-Year Weekly Constant Maturity Treasury (CMT) Index</b>									
5-Year	003	FBD or 45	60	60	2	2	5 or 6	No	N/A

**Legends:**

<sup>7</sup> Lookback Period – “45” means 45 days preceding the Interest Change Date; “FBD” means the First Business Day of the month immediately preceding the month in which the Interest Change Date occurs. Adjustable-rate Mortgage (ARM) products with different Lookback Periods are pooled separately.

<sup>8</sup> The Initial Period may be shorter or longer than the number of months specified, see Section 30.7(a)

<sup>9</sup> All ARM products sold under the WAC ARM Guarantor program through the Selling System may be Prepayment Penalty Mortgages. Prepayment Penalty ARMs require an Additional Supplement, see Section 17.12 and Exhibit 22.

\* The Initial Cap must be the same as the Life Cap

\*\* Life Cap may be less than or equal to 6 percentage points (600 basis points)

**Get More Information**

See the following *Single-Family Seller/Servicer Guide* chapters for:

- Requirements for CMT- and LIBOR-indexed ARMs in **Chapter 30**
- ARM Pooling and disclosure requirements in **Chapter A13**
- Delivery requirements in **Chapter 17**

Find more information about selling system Cash and Guarantor executions online at [www.FreddieMac.com/sell/secmktg/](http://www.FreddieMac.com/sell/secmktg/).

ARMs Eligible Under WAC ARM Guarantor <sup>9</sup> (Initial Interest Mortgages not included)									
Selling System Only									
ARM Product	ARM Index Source Code	Lookback <sup>7</sup> Period (days)	Initial Period <sup>8</sup> (months)	Subsequent Adjustment Period (months)	Initial Cap %	Periodic Cap %	Life Cap %	Convertible (Yes or No)	Conversion Process
<b>1-Year LIBOR Index</b>									
1-year	041	FBD or 45	12	12	2	2	5 or 6	No	N/A
1-year	041	FBD or 45	12	12	3	3	5 or 6	No	N/A
3/1	041	FBD or 45	36	12	2	2	5 or 6	No	N/A
3/1	041	FBD or 45	36	12	3	2	5 or 6	No	N/A
5/1	041	FBD or 45	60	12	2	2	5 or 6	No	N/A
5/1	041	FBD or 45	60	12	3	2	5 or 6	No	N/A
5/1	041	FBD or 45	60	12	5	2	5 or 6	No	N/A
5/1	041	FBD or 45	60	12	6	2	6	No	N/A
7/1	041	FBD or 45	84	12	2	2	5 or 6	No	N/A
7/1	041	FBD or 45	84	12	5	2	5 or 6	No	N/A
10/1	041	FBD or 45	120	12	2	2	5 or 6	No	N/A
10/1	041	FBD or 45	120	12	5	2	5 or 6	No	N/A
<b>6-Month LIBOR Index</b>									
6-Month	007	FBD	6	6	1	1	5 or 6	No	N/A
3/6-Month	007	FBD	36	6	3	1	5 or 6	No	N/A
3/6-Month	007	FBD	36	6	6	2	6	No	N/A
5/6-Month	007	FBD	60	6	5	1	5 or 6	No	N/A
5/6-Month	007	FBD	60	6	5	2	5 or 6	No	N/A
5/6-Month	007	FBD or 45	60	6	6	2	6	No	N/A
7/6-Month	007	FBD	84	6	5	1	5 or 6	No	N/A
10/6-Month	007	FBD	120	6	5	1	5 or 6	No	N/A

**Legends:**

7 Lookback Period – “45” means 45 days preceding the Interest Change Date; “FBD” means the First Business Day of the month immediately preceding the month in which the Interest Change Date occurs. Adjustable-rate Mortgage (ARM) products with different Lookback Periods are pooled separately.

8 The Initial Period may be shorter or longer than the number of months specified, see Section 30.7(a)

9 All ARM products sold under the WAC ARM Guarantor program through the Selling System may be Prepayment Penalty Mortgages. Prepayment Penalty ARMs require an Additional Supplement, see Section 17.12 and Exhibit 22.

Initial Interest ARMs Eligible Under WAC ARM Cash and the WAC ARM Guarantor Program Selling System only <sup>11</sup>											
ARM Product	ARM Index Source Code	Lookback Period (days) <sup>7</sup>	Initial Period <sup>8</sup> (months)	Subsequent Adjustment Period (months)	Initial Cap %	Periodic Cap %	Life Cap %	Interest Only Period (months) <sup>10</sup>	Convertible (Yes or No)	Conversion Process	Comments
<b>1-Year Weekly Constant Maturity Treasury (CMT) Index</b>											
3/1	004	<u>FBD or 45</u>	36	12	2	2	6—Cash 5 or 6—Guarantor	36	No	N/A	<u>FBD not available for WAC ARM Cash</u>
3/1	004	<u>FBD or 45</u>	36	12	2	2	6—Cash 5 or 6—Guarantor	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>
<u>3/1<sup>+</sup></u>	<u>004</u>	<u>FBD or 45</u>	<u>36</u>	<u>12</u>	<u>3</u>	<u>2</u>	<u>5 or 6—Guarantor</u>	<u>36</u>	<u>No</u>	<u>N/A</u>	<u>FBD not available for WAC ARM Cash</u>
5/1	004	<u>FBD or 45</u>	60	12	2	2	5 or 6	60	No	N/A	<u>FBD not available for WAC ARM Cash</u>
5/1	004	<u>FBD or 45</u>	60	12	2	2	5 or 6	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>
5/1	004	<u>FBD or 45</u>	60	12	5	2	5 or 6	60	No	N/A	<u>FBD not available for WAC ARM Cash</u>
5/1	004	<u>FBD or 45</u>	60	12	5	2	5 or 6	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>
7/1	004	<u>FBD or 45</u>	84	12	5	2	5 or 6	84	No	N/A	<u>FBD not available for WAC ARM Cash</u>
7/1	004	<u>FBD or 45</u>	84	12	5	2	5 or 6	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>
10/1	004	<u>FBD or 45</u>	120	12	5	2	5 or 6	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>

**Legends:**

<sup>7</sup> Lookback Period – “45” means 45 days preceding the Interest Change Date; “FBD” means the First Business Day of the month immediately preceding the month in which the Interest Change Date occurs. Adjustable-rate Mortgage (ARM) products with different Lookback Periods are pooled separately.

<sup>8</sup> The Initial Period may be shorter or longer than the number of months specified, see Section 30.7(a)

<sup>10</sup> The Interest Only Period may be shorter or longer than the number of months specified, see Section J33.4

<sup>11</sup> Initial Interest ARM products sold under the WAC ARM Guarantor program through the Selling System may be Prepayment Penalty Mortgages. Prepayment Penalty ARMs require an Additional Supplement, see Section 17.12 and Exhibit 22

+ 3/1 1-Year Weekly CMT-Indexed ARMs with a 3/2/5/ or 6 caps may be sold under the Guarantor program only



## Freddie Mac Sales Tips – Continued

## Single Family

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### Initial Interest ARMs Eligible Under WAC ARM Cash and the WAC ARM Guarantor Program Selling System only<sup>11</sup>

ARM Product	ARM Index Source Code	Lookback Period (days) <sup>7</sup>	Initial Period <sup>8</sup> (months)	Subsequent Adjustment Period (months)	Initial Cap %	Periodic Cap %	Life Cap %	Interest Only Period (months) <sup>10</sup>	Convertible (Yes or No)	Conversion Process	Comments
<b>1-Year LIBOR Index</b>											
3/1	041	<u>FBD or 45</u>	36	12	2	2	6—Cash 5 or 6—Guarantor	36	No	N/A	<u>FBD not available for WAC ARM Cash</u>
3/1	041	<u>FBD or 45</u>	36	12	2	2	6—Cash 5 or 6—Guarantor	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>
5/1	041	<u>FBD or 45</u>	60	12	2	2	5 or 6	60	No	N/A	<u>FBD not available for WAC ARM Cash</u>
5/1	041	<u>FBD or 45</u>	60	12	2	2	5 or 6	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>
5/1	041	<u>FBD or 45</u>	60	12	5	2	5 or 6	60	No	N/A	<u>FBD not available for WAC ARM Cash</u>
5/1	041	<u>FBD or 45</u>	60	12	5	2	5 or 6	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>
7/1	041	<u>FBD or 45</u>	84	12	5	2	5 or 6	84	No	N/A	<u>FBD not available for WAC ARM Cash</u>
7/1	041	<u>FBD or 45</u>	84	12	5	2	5 or 6	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>
10/1	041	<u>FBD or 45</u>	120	12	5	2	5 or 6	120	No	N/A	<u>FBD not available for WAC ARM Cash</u>

### The WAC ARM Cash Execution

Weighted Average Coupon (WAC) ARM Cash lets you deliver ARMs with various margin and cap structures in a single, flexible contract that's not limited by tight contracting terms. You can reduce your exposure to interest rate fluctuations and the corresponding changes in ARM pricing on your ARMs that have not yet closed. WAC ARM Cash, offered exclusively through the Freddie Mac selling system, offers you a liquid pipeline management tool for CMT- and LIBOR-indexed ARMs. Learn more at [www.FreddieMac.com/sell/factsheets/pdf/wacarmcash.pdf](http://www.FreddieMac.com/sell/factsheets/pdf/wacarmcash.pdf).

#### Legends:

<sup>7</sup> Lookback Period – “45” means 45 days preceding the Interest Change Date; “FBD” means the First Business Day of the month immediately preceding the month in which the Interest Change Date occurs. Adjustable-rate Mortgage (ARM) products with different Lookback Periods are pooled separately.

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