PREMIER
MORTGAGE GROUP
experience the difference

STANDARD ARMS AND THE DIFFERENCES

A few options are available to fit your individual needs and your risk tolerance with the various market instruments.

ARMs with different indexes are available for both purchases and refinances. Choosing an ARM with an index that reacts quickly lets you take full advantage of falling interest rates. An index that lags behind the market lets you take advantage of lower rates after market rates have started to adjust upward.

The interest rate and monthly payment can change based on adjustments to the index rate.

6-Month Certificate of Deposit (CD) ARM
Has a maximum interest rate adjustment of 1% every six months. The 6-month Certificate of Deposit (CD) index is generally considered to react quickly to changes in the market.

1-Year Treasury Spot ARM
Has a maximum interest rate adjustment of 2% every 12 months. The 1-Year Treasury Spot index generally reacts more slowly than the CD index, but more quickly than the Treasury Average index.

6-Month Treasury Average ARM
Has a maximum interest rate adjustment of 1% every six months. The Treasury Average index generally reacts more slowly in fluctuating markets so adjustments in the ARM interest rate will lag behind some other market indicators.

12-Month Treasury Average ARM
Has a maximum interest rate adjustment of 2% every 12 months. The treasury Average index generally reacts more slowly in fluctuating markets so adjustments in the ARM interest rate will lag behind some other market indicators.

Main Office • 1844 Folsom Street • Boulder, CO 80302 • (303) 449-8855 • (303) 449-4455 fax • www.pmglending.com