



FOR IMMEDIATE RELEASE

Media Contact:

Amy Doane

Direct: 541-225-6606

Email: Amy.Doane@PenFed.org

PenFed Launches New Adjustable Rate Mortgage (ARM) Program

The newly launched mortgage program is a [15/15 Adjustable Rate Mortgage \(ARM\)](#). The program will be available for a limited time only on home purchases and refinances up to \$750,000; and includes additional features such as a 60-day rate lock and instant online pre-qualification.

February 17, 2014, Alexandria, Va.—Mortgage shoppers looking for a more diverse selection of mortgage lending programs to choose from, coupled with a low rate—take heed. [PenFed](#) (Pentagon Federal Credit Union) today announced that it has recently added a [15/15 Adjustable Rate Mortgage \(ARM\)](#) program to its mortgage portfolio. The newly launched promotional program will be available for a limited time only on home purchases and refinances up to \$750,000; and includes additional features such as a 60-day rate lock and instant online pre-qualification.

"Our promotional 15/15 ARM is a new concept for the marketplace and we are very excited to begin offering it," said Debbie Ames Naylor, executive vice president of mortgages at PenFed. "We have featured a 5/5 ARM in our lending program for several years now; and we can confidently say we consider that program to be one of our flagship products—and our new promotional 15/15 ARM is no different."

Promotional ARM Highlights:

The [PenFed 15/15 ARM](#) features an interest rate that adjusts only once every 15 years.

Payment Example: For a \$100,000 loan amount, the initial interest rate is 3.750%, with a 3.855% APR*. Based on current market conditions, the monthly payment schedule would be:

- **First 180 payments** at 3.855% APR* of approximately \$463.12 each; and
- **Next 180 payments**, 3.625% interest rate and 3.855% APR*, payments of approximately \$459.17 each.

This payment example does not include taxes or insurance; and actual payments may be greater.

Additional features of the program include:

- Free 60-day rate lock
- Instant online pre-qualification

Why should you consider PenFed for your mortgage financing?

A fiscally sound credit union that's been lending for over 75 years, PenFed offers a full-range of mortgage lending products with some of the most innovative features and competitively priced interest rates available.

For more information about PenFed or to apply for a mortgage, visit PenFed.org or call 800-247-5626.

About PenFed (Pentagon Federal Credit Union):

Established in 1935, PenFed is one of the largest credit unions in the country serving over 1.2 million members worldwide; with more than \$16 billion in assets. Its longstanding mission has been to provide superior financial services, responsive to members' needs in a cost effective manner. PenFed offers market leading mortgages, automobile loans, credit cards, checking, and a wide-range of other financial services with its members' interests always in mind. Serving a diverse population, there are many ways to become a PenFed member; including numerous association members and employee groups. PenFed is federally insured by the National Credit Union Administration, does business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act, and is an equal housing lender.

***Disclosures:** 15/15 ARM: Limited time offer available on purchases and refinances up to \$750,000. The rate is variable and can increase. Not available for applications without a property address (pre-purchase). The initial rate is fixed for 15 years (180 months). When the rate adjusts, your new rate will be the then current 10 year US Treasury Bill plus a margin of one percentage (1.000%) point, rounding to the nearest one-eighth (0.125%). The new rate cannot exceed six percent (6.000%) above the initial rate or cannot be lower than the floor rate of one percent (1%).

15/15 ARM Mortgage Payment Example: The information provided assumes the purpose of the loan is to purchase a property, with a loan amount of \$100,000 and an estimated property value of \$125,000. The property is located in Alexandria, VA and is within Fairfax County. The property is an existing single family home and will be used as a primary residence. An escrow (impound) account is required. The rate lock period is 60 days and the assumed credit score is 740. At a 3.750% interest rate, the APR for this loan type is 3.855%, other rates and terms available. The monthly payment schedule would be \$463.12 for the first 180 months at an interest rate of 3.750%. Actual monthly payments will be higher and will also include amounts for real estate taxes and homeowner's insurance premiums.

NOTE: A 1% origination fee applies to this loan. The origination fee may be waived by adding a 0.25% to the selected rate. The application of points will be determined by the loan to value (LTV) ratio combined with certain representative credit scores. Additional points also apply to certain cash-out refinance transactions, certain condominium transactions, and some transactions with subordinate financing that will reflect on the Good Faith Estimate and/or Settlement Statement. Points are the responsibility of the borrower and not covered in promotions.

Investment properties not eligible for offer.

All Mortgage Programs: The application of points will be determined by the loan-to-value (LTV) ratio combined with certain representative credit scores. Points also apply to certain cash-out refinance transactions, certain condominium transactions, and some transactions with subordinate financing.

For a purchase transaction, the rate cannot be locked until PenFed receives a ratified sales contract executed by all required parties.

The applicant is responsible for the following fees and costs at the time of closing (except 5/5 ARM): Origination fee (waived for 5/5 ARM loan program), appraisal fee, tax service fee, CLO access fee, title fees, transfer tax fees, credit report fee, flood cert fee, recording fee, survey if required and work verification fee, escrow reserves and interest due until first payment, other cost may be included due to program specific circumstances. This is not intended to be an all-

inclusive list.

Escrows will only be waived if LTV is 80% or less in CA, OR, DC, VT & NY; 75% in all other states. Borrowers are required to have sufficient reserve assets available to cover 6 months full payments including principal, interest, homeowner's insurance, property taxes and homeowner associated dues and/or mortgage insurance, if applicable. For non-primary residences, we require 12 months of reserve assets.

If a loan is withdrawn, the applicant may not reapply for at least 90 days from the date the application was withdrawn.

Conforming Mortgages: For loan amounts from \$25,000 to \$417,000. The maximum loan-to value (LTV) is 80% and the maximum combined loan- to-value (CLTV) is 95%. The maximum LTV and CLTV for condominiums is 80%.

Jumbo Mortgages: For loan amounts above \$417,000 to \$750,000. The maximum loan-to-value (LTV) is 80% and the maximum combined loan-to-value (CLTV) is 95%. The maximum LTV and CLTV for condominiums is 80%. All above disclosures apply to non-Veteran's Administration (VA) loans. VA loans have different guidelines and eligibility requirements.

All rates and offers are as of February 14, 2014 and are subject to change without notice. Restrictions apply to existing PenFed mortgage borrowers. Other restrictions may apply. To receive any advertised product you must become a member of PenFed by opening a share (savings) account. Federally insured by the NCUA. We do business in accordance with the Federal Fair Housing Law and the Equal Credit Opportunity Act.

###