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## PenFed Now Offering Rate Reset Protection on Select Mortgages

*The new feature will add ease, convenience, and faster processing times to the PenFed mortgage user experience. With the Rate Reset Protection now available, eligible borrowers are able to reset and lock-in a rate on a Conforming, Jumbo, and Super Jumbo [5/5 Adjustable Rate Mortgage \(ARM\)](#), up to five times, during the life of the loan.*

**January 6, 2014, Alexandria, Va.** — [PenFed](#) (Pentagon Federal Credit Union), announced today that a new enhancement made to its innovative [5/5 Adjustable Rate Mortgage \(ARM\)](#) program now provides eligible PenFed members with "one click" **Rate Reset Protection** on Conforming, Jumbo, and Super Jumbo [5/5 ARMs](#). The enhancement adds ease, convenience, and faster processing times to the PenFed mortgage user experience.

"Adding the Rate Reset Protection feature to our 5/5 ARM is a positive and exciting leap forward for us," said James Schenck executive vice president of PenFed. "The new feature puts our borrowers in control of their mortgage; which is consistent with our long-standing goal to provide quality products and service tailored to our member's needs."

PenFed partnered with [Mortgage Harmony Corp.](#) The software solution provides an alternative to the refinancing process in the mortgage lending industry—allowing borrowers to "reset" their interest rate in seconds on a secure, customized website with just a "click" of a button and a confirmation e-Signature.

**How does it work?** During the origination process, PenFed mortgage borrowers now have the option of selecting the new Rate Reset Protection feature. When the rate reset feature is selected, beginning one calendar year from the date of the mortgage note, borrowers have the option of adjusting the interest rate periodically based on the terms of their note. To utilize the feature, borrowers simply login to review the rate PenFed is offering that day, and then to proceed with the rate selection, choose the option to "Reset the Rate."

The option to reset the rate is available to the borrower up to five times over the life of the loan. Additionally, the loan must be in good standing, with no rate resets within the prior 12-months.

**[5/5 Adjustable Rate Mortgage \(ARM\)](#) "Rate Reset Protection" Features:** The new feature puts PenFed borrowers in control of their [5/5 ARM mortgage](#) interest rate by allowing them to easily take advantage of decreasing interest rates, or hedge against rising interest rates.

### **The feature includes:**

- Up to five rate "borrower selected" rate resets over the life of the loan mortgage
- No fee to reset the rate
- Provides an alternative to the refinance process
- Loan maturity date remains the same—no new 30-year amortization required

“This new feature not only empowers borrowers, but it improves their overall experience,” said Vielka Asia, vice president of mortgage operations at PenFed. “What was once a very slow and cumbersome process for our borrowers has, with just “one click,” been conveniently simplified.”

To learn more about PenFed and to become a member, call 800.247.5626 or visit [PenFed.org](http://PenFed.org).

**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. 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.

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