Mortgage Origination Program Update: New 7/1 ARM

Beginning January 6, 2027, the 7/1 Adjustable-Rate Mortgage (7/1 ARM) will become the standard loan product for new Mortgage Origination Program (MOP) loans, replacing the 1/1 ARM and 5/1 ARM products.

The 7/1 ARM has a fixed interest rate for the first seven (7) years of the loan term. Beginning in Year 8, the interest rate may adjust annually, subject to the limits in the loan documents. The loan also includes a lifetime rate cap and floor, allows additional principal payments, and has no prepayment penalty.

The legacy 1/1 ARM and 5/1 ARM products will no longer be available for new applications after December 1, 2026. Applications submitted after December 1, 2026, including preapproval requests, will be processed under the 7/1 ARM product.

Loan applications submitted to the Office of Loan Programs on or before December 1, 2026 may still receive a legacy 1/1 ARM or 5/1 ARM product if the loan funds on or before December 21, 2026, and otherwise satisfies all applicable requirements.

If a loan commitment letter has been issued for a legacy 1/1 ARM or 5/1 ARM product but the loan does not fund on or before **December 21, 2026**, the application must be re-underwritten under the 7/1 ARM loan product. If approved, a new loan commitment letter will be issued reflecting the loan terms, interest rate, and rate lock terms for the 7/1 ARM product. The earliest possible funding date for a 7/1 ARM loan is January 6, 2027.

A preapproval does not guarantee a specific loan product, interest rate, or closing date. The interest rate is not locked at the time of preapproval. Rate-lock terms are provided at the time of loan commitment.

Existing MOP loans that have already closed are not affected by this change and remain subject to their current loan documents and terms.

Winter Holiday Office Closure

During the winter holiday break, no loans will be funded between December 22, 2026, and January 5, 2027. If you are purchasing a home, please keep these dates in mind as this may affect your home purchase contract and closing timeline.

For more information, see the **7/1 ARM FAQ** and **7/1 ARM Characteristics Chart**, and **Loan Comparison Chart**, or contact your campus Home Loan Coordinator.

This announcement is for general informational purposes only. If it differs from the applicable loan documents, the loan documents prevail.