

Announcement # 25-82**Date: August 19, 2025**

Fannie Mae 7/6 and 10/6 Adjustable-Rate Mortgage Update

Effective immediately, the following guidance applies to Fannie Mae 7/6 and 10/6 Adjustable-Rate Mortgages (ARMs) with state-based restrictions that require using the higher of the note rate or the fully-indexed rate for qualification purposes:

- For loans where the note rate must be used for qualification: Proceed as usual.
- For loans where the fully-indexed rate must be used for qualification: A manual underwrite is required and are ineligible for purchase
 - Note: Fannie Mae has confirmed that the Fannie Mae ARM plans in conjunction with Desktop Underwriter (DU) do not support fully-indexed rate qualification for 7/6 and 10/6 ARM loans. All loans must be delivered to Fannie Mae with a valid Fannie Mae ARM plan.

For AUS Jumbo 7/6 and 10/6 ARM loans that use DU, clients must use a "lender ARM plan" in DU and manually input the qualifying rate.

- Note: If the qualifying rate is not manually entered into the qualifying rate field of the lender ARM plan, DU will default to qualifying the loan using the note rate + 5%.

Refer to the Fannie Mae and AUS Jumbo product profiles for complete requirements (including state-specific requirements).

Please contact your Sales Representative with any questions.