



# MC Training Fax

**Fax: 801-627-2537**

**E-mail: mc@mcoffice.com**

**Website: mcoffice.com**

To: Training User

Company: Mortgage Computer

Fax #: 801-627-2537

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## CHANGE NOTICE NOT PRINTED

### WHAT DOES THIS MEAN?

It is a requirement when servicing ARM (Adjustable Rate Mortgage) loans to notify the borrower days prior to a possible interest rate and payment change.

#### SERVICING LOAN DATA BASE

- Field 50 A number in the Interest Index Table field indicates the loan is an ARM loan and which Interest Index Table to read.
- Field 51 The margin to add to or subtract from the base interest rate for the new interest rate.
- Field 52 The percentage rounding factor to round the new interest rate, e.g, base rate + or - the margin then rounded (U) up, (D) down, or (N) nearest.
- Field 53 The months between adjustments.
- Field 54 The next Interest Adjustment (change) date.
- Field 61 Interest Notice is the number of days before the interest could change to "count back" and read what the interest rate was on that day in the Interest Index Table. It is sometimes called the "Look Back Date." The interest rate on that day will be the new base interest rate.  
Note: The "Look Back Date" is usually set at 45 days. e.g, If the date in Field 61 is 7-1-07, the "Look Back Date" would be 45 days before that date or 05-17-07.

Anytime after the "Look Back Date" and the new interest rate is known, an interest adjustment notice can be printed. MC recommends the notice be printed around the 20th of the month. That date being after most payments are received and late notices printed.

The **CHANGE NOTICE NOT PRINTED** message displayed on the screen is MC's program alerting the operator the **REQUIRED** ARM Interest Notice has **NOT** been printed and the customer has **NOT** been notified of a possible interest rate and payment change.