

**Date:** [Date]

**Loan Number:** [Loan Number]

**Property Address:** [Property Address]

## Notice of Interest Rate and Payment Change

Dear [Borrower Name],

We are writing to notify you of an upcoming change to the interest rate and monthly payment on your adjustable-rate mortgage (ARM). This change is being made in accordance with the terms of your promissory note.

### Summary of Changes:

- **Current Interest Rate:** [Current Rate]%
- **New Interest Rate:** [New Rate]%
- **Effective Date of New Rate:** [Date]
- **Current Monthly Payment:** \$[Current Amount]
- **New Monthly Payment:** \$[New Amount]
- **Date New Payment is Due:** [Date]

### How Your New Rate Was Determined:

Your new interest rate is calculated by taking a "margin" and adding it to an "index."

- **Current Index Value:** [Index Name/Value]%
- **Your Margin:** [Margin Value]%
- **Calculation:** [Index] + [Margin] = [New Rate]%

### Limits on Rate Changes:

Your interest rate cannot increase or decrease by more than [Percentage]% at each adjustment, and cannot exceed a lifetime maximum of [Percentage]%.

If you have any questions regarding this adjustment, please contact our customer service department at [Phone Number] or visit our website at [Website URL].

Sincerely,

[Lender Name]

[Lender Address]

[Contact Information]