



## **LOAN PRODUCT CONVERSIONS**

### **What is a Loan Product Conversion?**

This is a procedure where the borrower can change their loan product type without doing a refinancing of the loan.

### **Loan Product Conversion Advantages**

Cost and time! This simple process can be completed in a short time frame without the costs of an appraisal or new title.

### **What Changes?**

The product type and payment amount.

### **What Doesn't Change?**

- The mortgage's maturity date and the current amortization term.
- Your Field Servicing spread

### **Loan Products that Qualify for Conversion**

- 30 day, 1 year, 3 year and 5 year ARM's as well as 10 year and 15 year fixed rate loans. These products can potentially convert to a 10 year VRM or the above 4 ARM products on any payment date.
- Zions 3/1, 5/1, 7/1 and 10/1 ARMs can only be converted on interest rate adjustment dates and product conversion options are limited to these potential products.

### **Loan Product Conversion Costs**

- Generally, loan product conversion fee is .5% of the principal loan balance or \$1,000, whichever is greater, with a cap of \$5,000.

### **Loan Product Conversion Process**

- Borrower sends Zions Ag Finance signed request for a loan product conversion, 30 days prior to the conversion date, indicating the loan product they wish to convert to. Conversion request must be accompanied with the payment for the appropriate loan product conversion cost.
- Regular scheduled mortgage payment must be made.
- A Note Modification Agreement, outlining the new loan product and payment, is sent for signature.