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NEW YORK, Aug. 1 /PRNewswire/ -- An adjustable rate mortgage with a rate that can go up only slightly -- but can go down substantially?

The New York Mortgage Company, LLC has introduced just such a revolutionary concept with an ARM loan that drastically limits borrowers' interest rate risk while still allowing them to enjoy the benefits of falling rates.

Known as the Homeowner Protection ARM, the new product is a 30-year loan that starts at 6.50% for three months and has a 6.99% cap for the first ten years, with a floor of 4.0%. The rate, pegged to the London Interbank Offered Rate (LIBOR), is adjusted monthly and has a very low margin of 1.5 percentage points over LIBOR, which gives it a fully indexed current rate today of only 6.875%. The APR is 7.182%.

An optional interest-only feature is available, at no additional cost, for the first ten years, after which the mortgage becomes self-amortizing. Unlike many interest-only mortgage loans available today, there is no negative amortization.

"This is the first monthly adjustable rate mortgage that almost totally insulates the borrower from interest rate risk for a period of ten years," says Steven Schnall, president and chief executive of NYMC. "The ten-year rate cap on this loan is only negligibly higher than the prevailing rates on a ten-year ARM or 30-year fixed mortgage, yet unlike these other loan programs, our rates will drop should market rates drop. The advantage to the borrower is clear and unmistakable."

Mr. Schnall says the Homeowner Protection ARM, due to its extraordinarily low ten-year cap, behaves in effect like a fixed-rate loan yet eliminates the hassle and expense of refinancing when interest rates fall. "It provides long-term protection against rising rates along with automatic participation in falling rates; and there is no negative amortization," he explains. "There is no other product like it and everyone here is very excited about it."

The Homeowner Protection ARM is available immediately through all NYMC offices around the country. The company's web site is <http://www.nymc.com>.

NYMC, with more than \$3 billion of annual loan volume, is a subsidiary of New York Mortgage Trust, Inc., a real estate investment trust that is celebrating the second anniversary of its listing on the New York Stock Exchange (ticker NTR). NYMC is licensed or authorized to do business in 45 states and the District of Columbia, and plans are underway for additional expansion.

SOURCE The New York Mortgage Company, LLC

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