



NEWS RELEASE

ICE Mortgage Monitor: ARM Demand Hits Nearly Four-Year High on Rising Mortgage Rates

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ARM share approaches 11% of rate locks, even as the number of loans currently adjusting sits at a 25-year low

ATLANTA & NEW YORK--(BUSINESS WIRE)-- Intercontinental Exchange, Inc. (NYSE: ICE), one of the world's leading providers of financial market technology and data powering global capital markets, today released the October 2026 ICE Mortgage Monitor Report. The analysis finds that adjustable-rate mortgages (ARMs) are drawing renewed borrower interest as mortgage rates climb. ARMs accounted for more than 11% of rate locks, their largest share in nearly four years, as ICE's Conforming 30-year Fixed Rate Index reached 7.2% on Sept. 24.

"ARMs are becoming more attractive to borrowers looking for relief from today's higher fixed rates, but the overall market exposure to adjustable payments remains relatively limited," said Andy Walden, head of Mortgage and Housing Market Research at ICE. "There are now 3.1 million active first-lien ARMs, the most in 5.5 years, but they represent just 5.6% of active mortgages. And because most newer ARMs are still in their introductory periods, only about a third of active ARMs have begun adjusting."

Key findings from the October ICE Mortgage Monitor include:

- The number of ARMs currently adjusting is at its lowest level in more than 25 years
Just 1.05 million active ARM loans have reached their first reset and are operating as adjustable-rate loans. More than 90% of ARMs originated since 2022 remain in their introductory fixed-rate periods, while most post-reset ARMs were originated more than a decade ago and have already experienced rate adjustments during the 2022-2023 Fed tightening cycle.
- The recent Fed rate increase is expected to have a modest and gradual impact on most existing ARM

borrowers

Assuming a full 25-basis-point pass-through to underlying ARM indexes, the median affected borrower would see their monthly payment increase by about \$14. More recently originated loans, which tend to carry higher balances, could see a more notable median increase of roughly \$53 per month.

- Initial ARM resets are expected to remain relatively limited in 2027, though certain borrowers could see larger payment changes

Approximately 180,000 ARMs are scheduled for their first reset next year, up modestly from roughly 150,000 in 2026, with another 155,000 currently scheduled for 2028. Among next year's resets, roughly 74,000 7-year ARMs originated in 2020 are expected to see the largest median payment increase at approximately \$1,066 per month, or 36%, reflecting their lower initial rates, higher balances and higher periodic rate caps.

- Changes in short-term rates are expected to reach home equity borrowers more quickly
HELOCs are typically tied directly to the prime rate and reset monthly. ICE's McDash Home Equity data shows a median outstanding balance of \$44,000 among second-lien HELOCs, with a median rate of 7.4%. A 25-basis-point increase would translate to a roughly \$9 increase in the median monthly payment.
- Borrowers are increasingly paying upfront to lower their mortgage rates
The share of borrowers paying points, largely to buy down their interest rate, reached 50% in August, the highest level since early 2025. Meanwhile, the share receiving temporary rate buydowns remains near recent year lows.

"Changes in the rate environment affect borrowers differently depending on when their loan was originated and how it's structured," said Bob Hart, president of ICE Mortgage Technology. "That makes timely data and connected technology especially important. ICE gives lenders and servicers the information and tools they need to understand what's happening across their portfolios and support borrowers as their needs change."

Further detail on ARM, home equity, home price, and mortgage performance trends — including charts — can be found in the full ICE Mortgage Monitor report at <https://mortgagetechnology.com/resources/data-reports>.

About the ICE Mortgage Monitor

ICE manages the nation's leading repository of loan-level residential mortgage data and performance information covering the majority of the overall market. The ICE Home Price Index provides one of the most complete, accurate and timely measures of home prices available, covering 95% of U.S. residential properties down to the ZIP code level. In addition, the company maintains one of the most robust public property records databases available, covering 99.9% of the U.S. population and households from more than 3,100 counties.

ICE's research experts carefully analyze this data to produce a summary supplemented by dozens of charts and

graphs that reflect trend and point-in-time observations for the monthly Mortgage Monitor report. To review the full report, visit: <https://mortgagetechnology.ice.com/resources/data-reports>.

About Intercontinental Exchange

Intercontinental Exchange, Inc. (NYSE: ICE) is a Fortune 500 company that designs, builds, and operates digital networks that connect people to opportunity. We provide financial technology and data services across major asset classes helping our customers access mission-critical workflow tools that increase transparency and efficiency. ICE's futures, equity, and options **exchanges** -- including the **New York Stock Exchange** -- and **clearing houses** help people invest, raise capital and manage risk. We offer some of the world's largest markets to trade and clear energy and environmental products. Our fixed income, **data services** and execution capabilities provide information, analytics and platforms that help our customers streamline processes and capitalize on opportunities. At **ICE Mortgage Technology**, we are transforming U.S. housing finance, from initial consumer engagement through loan production, closing, registration and the long-term servicing relationship. Together, ICE transforms, streamlines, and automates industries to connect our customers to opportunity.

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