



Fannie Mae ARM 7-6™

Acquisition or Refinancing of Multifamily Properties

| | |
|----------------------------------|---|
| Eligibility | Existing, stabilized multifamily properties, including Conventional, Multifamily Affordable Housing, Seniors Housing, Student Housing, and Manufactured Housing Communities. |
| Term | 7 years. |
| Amortization | Up to 30 years. |
| Interest Rate Adjustments | Adjusts based on changes to the underlying Index and is equal to the Index plus the Margin. |
| Leverage | Max. 80% LTV |
| Minimum DSCR | <ul style="list-style-type: none"> • 1.00x at the maximum lifetime interest rate. • Mortgage loan amount shall not exceed that of a fixed-rate loan with similar terms. |
| Rate Lock | 30-day commitments. |
| Index | 1 month LIBOR. |
| Supplemental Financing | Supplemental loans are available. |
| Prepayment Availability | <ul style="list-style-type: none"> • No prepayment first year, 1% prepayment premium thereafter. • No prepayment premium during the last 3 months of the loan term. • When refinancing into a fixed-rate product with Fannie Mae, the prepayment premium may be waived under certain conditions. |
| Interest Rate Cap | <ul style="list-style-type: none"> • Maximum monthly interest rate adjustment of 1% up or down. • Maximum lifetime interest rate to Borrower capped at 6%, plus the guaranty fee, plus the servicing fee. |

Fannie Mae ARM 7-6™

Acquisition or Refinancing of Multifamily Properties

Interest Rate Floor

The interest rate will never be less than the Margin, which is the sum of the investor spread, the guaranty fee, and the servicing fee.

Conversion to Fixed Rate

Subject to the terms of the loan documents, the loan may be converted to a fixed-rate loan on any rate change date beginning on the first day of the second loan year and ending on the first day of the sixth loan year.

- No prepayment premium is charged at the time that the Mortgage Loan converts.
- Conversion requires minimal underwriting to determine whether the current Net Cash Flow can support the new fixed-rate.
- No increase in the loan amount; may be eligible for a Supplemental Loan.

Accrual

Actual/360.

Recourse

Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.

Escrows

Replacement reserve, tax, and insurance escrows are typically required.

Third-Party Reports

Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.

Assumption

Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.