

FANNIE MAE DUS[®] ARM 7-6[™]

Adjustable Rate Mortgage (ARM) 7-6[™]: Arbor's DUS[®] ARM 7-6[™] product offers low-cost financing with an initial interest rate lower than available fixed rates, a maximum interest rate that is set upon loan origination and the ability to convert to fixed-rate financing.

Loan Amount

\$500,000 minimum

Loan Term

7 or 10 years

Amortization

Up to 30 years. Interest-only option is available subject to meeting eligibility criteria.

Minimum DSC

1.00 at Maximum Interest Rate

Maximum LTV

Up to 80% LTV

Interest Rate Limits

Maximum ARM rate set at rate lock. No cap required. 1% maximum increase or decrease to rate at each ARM change. Initial ARM rate is minimum rate for entire term of ARM.

Rate Structure

Priced off the one-month LIBOR

Eligible Property

Mortgage loans for the acquisition or refinance of multifamily properties

Eligible Borrower

Single-asset entity

Occupancy Requirement

85% physical occupancy, 80% economic occupancy

Tax and Insurance Escrows

Monthly deposits required.

Replacement Reserves

Underwritten at a minimum \$150 per unit per annum

Recourse

Typically non-recourse with standard carve-outs Loans less than \$3M may be recourse (depending on MSA/market)

ARM Look Back

15-day look back for ARM adjustment

Commercial Space

Eligible

Required Reports

Appraisal, Property Condition Assessment and Phase I

Prepayment

Lockout for one year followed by a 1% prepayment premium during the ARM period. No prepayment premium during the last three months of loan term.

Assumable

Subject to approval and 1% fee (non-recourse loans only)

Subordinate Financing

Not allowed without written approval

Supplemental Loans

Not permitted prior to conversion to fixed rate. The ARM execution is eligible to be used for approved Supplemental Loans.

Pricing

Tiered Pricing Matrix. More favorable terms available for higher DSC and lower LTV.

Rate Lock

30-day commitments are available.

Application Deposit

\$15,000. Covers all estimated underwriting costs (including processing fee).

Processing Fee

\$3,000 non-refundable

Origination Fee

Minimum 1%.

Legal /Closing Fee

Arbor's Counsel Fee to be determined at application

Good Faith Deposit

2% of loan amount

Conversion to Fixed Rate

Any time beginning on the first day of second loan year and ending first day of sixth loan year. No prepayment charged upon conversion. Conversion requires minimal re-underwriting. Loan amount cannot be increased, but borrower may request Supplemental Mortgage Loan. No change in fees upon conversion.



Growing Financial Partnerships