

# DUS<sup>®</sup> SUPPLEMENTAL

*Whether your Arbor Fannie Mae loan was executed on a market rate or affordable property; under the Forward Commitment or Small Loans program; on a cooperative complex or student-based property, you are eligible for a supplemental loan under the Fannie Mae DUS<sup>®</sup> program.*

## Loan Amount

\$250,000 minimum

## Loan Term

Up to 30 years

## Requirements

- The Fannie Mae first mortgage must have been an Arbor transaction
- At least 12 months must elapse between the closing of a DUS<sup>®</sup> Supplemental Loan and the closing of the latest placed pre-existing mortgage
- The term of the supplemental mortgage must be at least five years

## Acceptable Transactions

- Fixed-rate or ARM regardless of the rate structure on the preexisting loan
- Supplemental loans are allowed on Affordable deals (MAH), but restricted to DSCR of 1.25 and LTV of 80% for adjustable rate and DSCR of 1.30 and LTV of 75% for fixed rate
- Small Loans are eligible for supplemental loans

## Workings

- Funding of replacement reserves will be for the first loan only, unless additional funding is required
- A new title insurance policy is required
- No new survey is required, provided the title meets certain requirements

## Limitations

- One DUS<sup>®</sup> supplemental loan is permitted during the term of the first mortgage lien; however, a second DUS<sup>®</sup> supplemental loan can be used in connection with a sale and assumption to an unrelated new borrower or mezz
- The closing and funding of the second supplemental loan MUST occur simultaneously with the sale and assumption of the existing debt
- Less than 7 years left on term of first, the supplemental loan sizing is subject to additional exit risk analysis

## Minimum DSC\*

1.30 on a coterminous loan

1.35 on a non-coterminous loan

## Maximum LTV\*

75% on a coterminous loan

70% on a non-coterminous loan

For a cash-out refi, reduce LTV by 5%

## Prepayment

Yield maintenance or defeasance

## Assumable

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

## Application Fees

\$9,000 for Small Loans

\$20,000 for DUS<sup>®</sup>

\* determined by pre-existing mortgage and program



Growing Financial Partnerships