



FANNIE MAE DUS[®] Structured Adjustable Rate Mortgage (ARM)

Arbor's DUS Structured ARM product offers increased proceeds over the fixed-rate product with a lower initial interest rate. With an easy-to-use conversion feature, Arbor's DUS[®] ARM product gives owners an attractive option in a higher interest rate environment.

LOAN AMOUNT	\$25M minimum, but flexible depending upon sponsorship
LOAN TERM	5, 7 or 10 years
AMORTIZATION	Up to 30 years
MINIMUM DSCR	1.00 at UW Variable Rate; 1.25 at SARM Pay Rate
MAXIMUM LTV	Up to 75%
RATE STRUCTURE	Priced off the one-month SOFR or three-month SOFR; convertible and nonconvertible options available
ELIGIBLE PROPERTIES	Existing, stabilized Conventional; Multifamily Affordable Housing; Seniors Housing; Student Housing; and Manufactured Housing Communities
ELIGIBLE BORROWER	Single Asset Entity
OCCUPANCY REQUIREMENT	85% physical occupancy, 70% economic occupancy
INTEREST RATE CAP	<ul style="list-style-type: none"> • Structured ARMs have no built-in periodic or lifetime caps; instead, the Borrower must purchase an interest rate cap from an approved interest rate cap provider • The term of the initial interest rate cap need not be equal to the term of the Mortgage Loan, but must be for at least 5 years • If the Mortgage Loan term is longer than the interest rate cap term, the Borrower must escrow monthly for the purchase of the next interest rate cap
TAX AND INSURANCE ESCROWS	Monthly deposits required
REPLACEMENT RESERVES	Underwritten at a minimum \$250 per unit per annum
RECOURSE	Non-recourse with standard carve-outs
COMMERCIAL SPACE	Maximum 35% of net rentable area and maximum 20% of effective gross income
REQUIRED REPORTS	Appraisal, Property Condition Assessment, Phase I Environmental
PREPAYMENT	Lockout for one year followed by a 1% prepayment premium or declining prepayment premium option
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
PRICING	Tiered Pricing Matrix; more favorable terms available for higher DSC and lower LTV
RATE LOCK	30-day commitments are available
APPLICATION DEPOSIT	\$20,500; covers estimated processing and legal fees
ORIGINATION FEE	Minimum 1%; par pricing available
GOOD FAITH DEPOSIT	2% of loan amount