



## FREDDIE MAC® Floating Rate

Arbor's Floating Rate program is ideal for multifamily borrowers who want to take advantage of lower short-term rates with prepayment flexibility.

<b>Loan Amount</b>	Generally \$5 million to \$100 million; however larger or smaller loan amounts are considered.
<b>Loan Term</b>	5, 7 and 10 year terms.
<b>Amortization</b>	Up to 30 years. Interest-only options also available.
<b>Minimum DSCR</b>	1.00 at the max note rate, floaters must also be sized to a fixed rate equivalent at a 1.25x.
<b>Maximum LTV</b>	7 year term or greater: 80%; 5 year term: 75%.
<b>Rate Structure</b>	Floating-rate option available; borrower must purchase an interest rate cap from a third party cap provider.
<b>Eligible Properties</b>	Multifamily. Cooperatives not allowed.
<b>Eligible Borrower</b>	Single Purpose Entity.
<b>Tax &amp; Insurance Escrows</b>	Monthly deposits required. May be waived if certain criteria are met.
<b>Replacement Reserves</b>	May be waived if certain criteria are met.
<b>Recourse</b>	Non-recourse with standard exceptions for fraud and misrepresentation
<b>Commercial Space</b>	No more than 40% of effective gross income and no more than 40% of property's total square footage.
<b>Required Reports</b>	Appraisal, Property Condition Assessment and Phase I Environmental, Zoning, Insect and Flood.
<b>Prepayment</b>	Four main prepayment options available with no premium for final 90 days.
<b>Assumable</b>	Subject to approval and 1%.
<b>Subordinate Financing</b>	Not allowed.
<b>Pricing</b>	Tiered Pricing Matrix. More favorable terms available for higher DSC and lower LTV.
<b>Rate Lock</b>	Early rate-lock option available for varying durations, typically ranging from 60 to 120 days from rate-lock until Freddie Mac purchase; Sellers should consult with their regional Freddie Mac representative to determine eligibility
<b>Application Deposit</b>	\$26,500. Covers all estimated underwriting costs (including application fee).
<b>Legal/Closing Fee</b>	Arbor's Counsel Fee to be determined at application.
<b>Good Faith Deposit</b>	2% of loan if over \$5,000,000 amount due at rate lock for early rate-lock transactions, but refundable post-closing or post-purchase of the loan by Freddie Mac.