

# Fannie Mae DUS<sup>®</sup> Near-Stabilization Execution

Arbor provides Fannie Mae’s Multifamily Mortgage Business permanent mortgage loan financing for newly constructed or recently renovated conventional and affordable multifamily apartment communities expected to achieve stabilized occupancy within 120 days.

<b>Loan Amount</b>	\$10M, smaller loan amounts may be considered
<b>Loan Terms</b>	5, 7, 10, and 12-year term options available
<b>Amortization</b>	5-30 years
<b>Minimum DSCR</b>	Targeted underwritten DSCR of 1.25x (Up to 1.15x for MAH loans); underwritten DSCR is that as deemed achievable within 4 months after rate lock by the lender and by Fannie Mae in its sole discretion
<b>Maximum LTV</b>	75% of “as stabilized” loan-to-value
<b>Rate Structure</b>	Fixed and variable-rate interest options are available
<b>Accrual</b>	30/360 and ctual/360
<b>Eligible Properties</b>	Partially leased, newly constructed, or recently renovated conventional and affordable housing properties, which are 100% complete and expected to obtain stabilized occupancy within 120 days of rate lock
<b>Eligible Borrower</b>	Strong borrower with demonstrated lease-up track record
<b>Occupancy Requirement</b>	75% physical occupancy at rate lock
<b>Tax and Insurance Escrows</b>	Monthly deposits required; may be waived if certain criteria are met
<b>Replacement Reserves</b>	Underwritten at a minimum \$200 per unit per annum
<b>Recourse</b>	Non-recourse execution with standard carve-outs for “bad acts,” such as fraud and bankruptcy
<b>Commercial Space</b>	Maximum 35% of total space and EGI (after applying 10% vacancy factor); underwritten commercial income to be no more than 20% of EGI
<b>Assumable</b>	Subject to approval and 1% fee
<b>Required Reports</b>	Appraisal, Property Condition Assessment, and Phase I Environmental
<b>Pre-payment</b>	Flexible pre-payment options available, including yield maintenance and declining pre-payment premium
<b>Supplemental Loans</b>	Eligible for secondary financing after 12 months
<b>Pricing</b>	Tiered pricing matrix; more favorable terms available for higher DSC and lower LTV
<b>Rate Lock</b>	30 to 120-day commitments; borrowers may lock a rate with the Streamlined Rate Lock option
<b>Application Deposit</b>	\$20,500; covers estimated processing and legal fees
<b>Good Faith Deposit</b>	2% of loan amount, due at rate lock, refundable at closing
<b>Origination Fee</b>	Minimum 1.00%