

Arbor's Choice Refinance product offers a streamlined refinance execution for Fannie Mae portfolio mortgage loans in good standing.

**Benefits**

- Flexible refinancing
- Increased lender delegation
- Lower costs from reduced documentation
- Speed in processing and underwriting

**Eligibility**

- Existing Fannie Mae Cash or MBS Mortgage Loan
- Lender must be the current Servicer of the Mortgage Loan being refinanced
- Property must be well maintained and stabilized as evidenced by the most recent property inspection
- Existing Mortgage Loan must meet standards related to past monetary and non-monetary defaults as outlined in the Guide
- Small Mortgage Loans and Mortgage Loans secured by Cooperative Properties may have additional eligibility requirements

**Streamlined Requirements**

All other terms follow the requirements set for newly originated first-lien Mortgage Loans.

**Pre-Review Mortgage Loans**

Generally, no Pre-Review is required if the pre-review category for the Portfolio Mortgage Loan was previously approved by Fannie Mae. Please see the Multifamily Selling and Servicing Guide and the Multifamily Underwriting Standards (Form 4660) for complete requirements.

**Property Documentation**

Lender must document rationale in the Transaction Approval Memo.

**Borrower Analysis**

If the borrower's organizational structure has changed, the Lender must review necessary documents to confirm that the new structure meets the current Guide requirements.

For the borrower, and each Key Principal, Guarantor, and Principal, the Lender will report ACheck results, and obtain and review financial statements.

**Prepayment Premium**

After the expiration of the yield maintenance period, the required 1% prepayment premium may be reduced in certain circumstances.

Prepayment premium due may be paid from the proceeds of the new Choice Refinance Loan

**Escrows**

Replacement reserve, tax, and insurance escrows are typically required.

**Third-Party Reports**

A Phase I Environmental Site Assessment is not required if:

- An Environmental Professional performs an environmental database review and identifies:
  - No potential environmental concerns (as defined in ASTM E1528 – Standard Practice for Limited Environmental Due Diligence: Transaction Screen), or
  - No adverse conditions requiring further due diligence
- The borrower enters into an Environmental Indemnity Agreement (Form 6085); and
- You confirm that the borrower is appropriately implementing any existing O&M Plans for the Property.

### **Third-Party Expenses**

New appraisal and title insurance policy will be required.

New survey is not required as long as requirements are met (see Part III, Chapter 18 of the Guide for details).

Origination fees may be used to pay third-party expenses.