

Arbor's Cooperative Apartment Financing program provides blanket mortgage financing for cooperative multifamily housing.

Benefits

- Flexible loan terms
- Competitive pricing
- Certainty and speed of execution
- Customized solutions

Eligibility

- Existing stabilized cooperative properties in eligible cooperative property markets
- Cooperative corporations with strong management and solid operating history
- Limited equity cooperative properties for low- and moderate-income families are also eligible
- Overall property condition rating of two or better

Term

Five-30 years

Amortization

Up to 30 years

Interest Rate

Fixed-rate

Maximum LTV

55% (on a market rental basis)

Minimum DSCR

1.00x for Actual Cooperative Property operations and 1.55x for Cooperative Market Rental operations

Property Considerations

- The property management company is required to have experience with cooperative properties of like size and market
- Operating Reserve balance must be equal to or greater than 10% of annual maintenance fees
- Maintenance fees must be sufficient to achieve a balanced budget
- High levels of ownership by one sponsor or investor (in excess of 40%) will require additional due diligence

Supplemental Financing

Supplemental Mortgage Loans are available.

Prepayment Availability

Loans may be voluntarily prepaid upon payment of yield maintenance.

Rate Lock

30- to 180-day commitments. Borrowers may use the Streamlined Rate Lock option provided that the Board of Directors or managers of the cooperative organization approve any increase in the Cooperative Maintenance Fee prior to using the Streamlined Rate Lock option.

Recourse	Non-recourse execution is available with standard carve-outs for “bad acts” such as fraud and bankruptcy
Escrows	Replacement reserves, tax, and insurance escrows may be required; Escrows are typically required for a Limited Equity Cooperative Property
Third-Party Reports	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment
Assumption	Mortgage loans secured by a cooperative property are typically not assumable by another entity