

Streamlined Rate Lock (SRL)

Arbor offers Streamlined Rate Lock (SRL), which provides a fast and flexible fixed-rate option for borrowers interested in the ability to manage interest rate risk by locking the entire rate, not only the Treasury index or spread. This flexibility along with an expanded delivery tolerance and limited breakage fees make the SRL the fastest loan product available in the market.

Benefits

- For rate locks with Fannie Mae's trading desk and many other MBS investors, the breakage fee for failure to originate the loan is limited to the Good Faith Deposit
- Expanded delivery tolerance allows greater flexibility for rate locks

Eligibility

- Existing, multifamily properties including Conventional, Coops, Green Rewards, Green Building Certification Loans, Hybrid ARM Loans, Manufactured Housing Communities, Multifamily Affordable Housing, Seniors Housing, Small Loans, Structured Transactions, Student Housing and Dedicated Student Housing properties. Some may be subject to pre-review

Maximum Term of Rate Lock

Up to 180 days

Minimum Good Faith Deposit

Rate lock term of up to and including 90 days: 2% of commitment amount
Rate lock term between 91 and 180 days: 3% of commitment amount

Preliminary Underwriting Requirements

No prescribed set of preliminary underwriting requirements; the Lender makes the decision to rate lock based on its own determination of when it has sufficient preliminary underwriting information.

Breakage Fees

For SRLs executed with Fannie Mae's trading desk, the breakage fee for any failure to deliver the mortgage loan will be limited to an amount equal to the minimum Good Faith Deposit. Many other MBS investors also limit the breakage fee to the minimum Good Faith Deposit.

Delivery Tolerance

+/- 5%. The Lender may increase the standard 5% Delivery Tolerance up to a 10% reduction in the delivered loan amount from the rate lock amount upon completion of final underwriting. For SRLs executed with Fannie Mae's trading desk, if the loan amount reduction is between 5% and 10% of the rate lock amount, a penalty equal to the difference between 95% of the rate locked amount and the actual loan amount, multiplied by the Good Faith Deposit percentage, will be owed. Lenders should check with individual MBS investors as to their policy on loan amount reductions from the rate locked amount but should note that Fannie Mae will not accept loans with third-party MBS investors having a Delivery Tolerance in excess of 10% of the rate lock amount.