

# Supplemental Mortgage Loans

Whether your Arbor Fannie Mae loan was executed on a market-rate or affordable property, under the Forward Commitment or Small Loans program, or on a cooperative complex or student-based property, you are eligible for a supplemental loan under the Fannie Mae DUS<sup>®</sup> program.

## Benefits

- Lower cost than refinancing
- Access to additional capital
- Flexible loan terms
- Certainty of execution
- Speed in processing and underwriting

## Eligibility

- Stabilized Conventional Properties, Multifamily Affordable Housing Properties, Seniors Housing Properties, Student Housing Properties, and Manufactured Housing Communities
- Subordinate to existing Fannie Mae fixed-rate or variable-rate Mortgage Loans
- Bond Credit Enhancement Mortgage Loans are eligible for Supplemental Mortgage Loans with prior approval of Fannie Mae
- Lender must be the Servicer of the existing Fannie Mae Mortgage Loan
- Fannie Mae must be the only debt holder on the property.

## Term

- Minimum of five years and a maximum of 30 years
- May be either coterminous or non-coterminous with the Maturity Date of the Senior Mortgage Loan

## Amortization

Up to 30 years

## Interest Type

Fixed- or variable-rate options available

## Maximum LTV

As high as 75%, depending upon asset class and use of proceeds

## Minimum DSCR

As low as 1.30x, depending upon asset class and use of proceeds

## Supplemental Loan Timing

Supplemental Mortgage Loans are available 12 months after the closing of the senior Fannie Mae Mortgage Loan.

## Prepayment Availability

- Supplemental Mortgage Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate loans and graduated prepayment for variable-rate loans.
- The Prepayment Premium Period End Date of a Supplemental Mortgage Loan need not coincide with the Prepayment Premium Period End Date of the Senior Mortgage Loan.

## Rate Lock

30- to 180-day commitments. Borrower may Rate-Lock using the Streamlined Rate Lock option.

## Accrual

30/360 and Actual/360

**Recourse**

Non-recourse execution with standard recourse carve-outs required for “bad acts” such as fraud and bankruptcy

**Escrows**

Replacement Reserve, tax and insurance escrows are typically required, based on the resulting Underwriting Tier of the combined Pre-Existing Mortgage Loans and Supplemental Mortgage Loan

**Third-Party Reports**

A new Appraisal is required. Other standard third-party reports, including Phase I Environmental Assessment and Property Condition Assessment, may not be required if certain conditions are met

**Assumption**

Supplemental Mortgage Loans are typically assumable with a concurrent assumption of the Senior Mortgage Loans, subject to review and approval of the new borrower’s financial capacity and experience.