

Floating Rate

Arbor's Floating Rate program is ideal for multifamily borrowers who want to take advantage of lower short-term rates with prepayment flexibility.

Eligible Borrowers

- Borrower may generally be a limited partnership, corporation, limited liability company or a tenancy in common (TIC) with 10 or fewer tenants in common
- General partnerships, limited liability partnerships, real estate investment trusts (REITs) and certain trusts may also be acceptable in limited circumstances, subject to additional requirements
- Borrower must generally be a Single Purpose Entity (SPE); however, on loans less than \$7.5 million, upon borrower's request, a borrower other than a TIC may be a Single Asset Entity instead of an SPE
- If the borrower is structured as a TIC, each tenant in common must be an SPE

Eligible Property Types

Standard multifamily housing, student housing, seniors housing, manufactured housing communities and Targeted Affordable Housing (e.g., LIHTC Year 4-10 and 11-15, Section 8 loans), conventional structured transactions. Floating-rate loans are not available for cooperative housing.

LTV Ratios and Amortizing¹ DCR

Floating-Rate Base Conventional Maximum LTV and Minimum DCR ¹	(For specific product adjustments, refer to individual term sheets)		
	Amortizing	Partial-Term Interest Only ²	Full-Term Interest Only
≥5-Year and < 7-Year Term	75%/1.25x	75%/1.25x	65%/1.35x
≥7-Year Term	80%/1.25x	80%/1.25x	70%/1.35x

¹The DCR calculated for the partial-term interest-only and full-term interest-only period uses an amortizing payment at the sizing note rate. Adjustments may be made depending on the property, product, market and/or sponsor.

²For partial-interest only loans, there must be a minimum amortization period for two years. All mortgages with less than two years of Amortization must meet the requirement for full-term Interest-Only mortgages.

³ Maximum combined maturity LTV is 70%, subject to adjustment for certain property and loan types.

Terms

5-, 7-, and 10-year terms

Amount

Generally, \$7.5 million to \$100 million (smaller and larger loans will be considered)

Pricing Index

30-day Average SOFR

Early Rate-Lock Option

Early rate-lock option available for varying durations, typically ranging from 60 to 120 days from rate-lock until Freddie Mac purchase

Interest-Only Period

Partial-term and full-term interest only available; see table below and related footnotes

Interest Rate Cap

A number of cap options available; Borrower may obtain cap coverage from an approved third-party provider.

Maximum Amortization

30 years

Amortization Calculations

Actual/360

Lock-out/Prepayment Provisions

Four lock-out/prepayment options available (see table below) with no premium for final 90 days; other options are available for loans that are not intended to be securitized.

Prepayment Premium	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Option 1	Locked out	1%	1%	1%	1%	1%	1%	1%
Option 2	3%	2%	1%	1%	1%	1%	1%	1%
Option 3	5%	4%	3%	2%	1%	1%	1%	1%
Option 4 (only for 10-year capped floating-rate loan)	7%	6%	5%	4%	3%	2%	1%	1%

You can choose from four prepayment provisions when structuring Freddie Mac standard, capped or uncapped floating-rate loans. Each option offers no prepayment premium for the last 90 days of the loan term.

Tax and Insurance Escrow

Generally required

Replacement Reserve Deposit

Generally required

Recourse Requirements

Non-recourse except for standard carve-out provisions

Supplemental Loan Availability

Yes, subject to requirements specified in the Loan Agreement

Application Fee

Greater of \$2,000 or 0.1% of loan amount for conventional first mortgages; supplemental and seniors housing loans are > \$5,000 or 0.15 % of loan amount; supplemental loans are > \$5,000 or 0.1 % of loan amount and Targeted Affordable Housing Loans are > \$3,000 or 0.1% of loan amount

Refinance Test

No Refinance Test is necessary if the loan has an amortizing DCR of 1.40x or greater and an LTV ratio of 60% or less