

## 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 Amortizing<sup>1</sup> DCR

Floating-Rate Base Conventional Maximum LTV and Minimum DCR <sup>1</sup>	(For specific product adjustments, refer to individual term sheets)		
	Amortizing	Partial-Term Interest Only <sup>2</sup>	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

<sup>1</sup>The 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.

<sup>2</sup>For 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.

<sup>3</sup> 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.

<b>Maximum Amortization</b>	30 years																																													
<b>Amortization Calculations</b>	Actual/360																																													
<b>Lock-out/Prepayment Provisions</b>	<p>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.</p> <table border="1"> <thead> <tr> <th>Prepayment Premium</th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th><th>Year 6</th><th>Year 7</th><th>Year 8</th></tr> </thead> <tbody> <tr> <td>Option 1</td><td>Locked out</td><td>1%</td><td>1%</td><td>1%</td><td>1%</td><td>1%</td><td>1%</td><td>1%</td></tr> <tr> <td>Option 2</td><td>3%</td><td>2%</td><td>1%</td><td>1%</td><td>1%</td><td>1%</td><td>1%</td><td>1%</td></tr> <tr> <td>Option 3</td><td>5%</td><td>4%</td><td>3%</td><td>2%</td><td>1%</td><td>1%</td><td>1%</td><td>1%</td></tr> <tr> <td>Option 4 (only for 10-year capped floating-rate loan)</td><td>7%</td><td>6%</td><td>5%</td><td>4%</td><td>3%</td><td>2%</td><td>1%</td><td>1%</td></tr> </tbody> </table> <p>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.</p>	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%
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Option 4 (only for 10-year capped floating-rate loan)	7%	6%	5%	4%	3%	2%	1%	1%																																						
<b>Tax and Insurance Escrow</b>	Generally required																																													
<b>Replacement Reserve Deposit</b>	Generally required																																													
<b>Recourse Requirements</b>	Non-recourse except for standard carve-out provisions																																													
<b>Supplemental Loan Availability</b>	Yes, subject to requirements specified in the Loan Agreement																																													
<b>Application Fee</b>	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																																													
<b>Refinance Test</b>	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																																													