

Through Arbor's Freddie Mac[®] Conventional Small fixed-rate loans, you get a flexible financing solution and certainty of execution for the acquisition or refinance of multifamily housing properties with loans of \$10 million or less.

Eligible Borrowers

- Borrower may be a limited partnership, corporation, limited liability company or a tenancy in common (TIC) with 5 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 be a Single Purpose Entity (refer to the Single Purpose Entity Borrower Rider to Loan Agreement (loans \$20 million and under) for basic SPE requirements).

Eligible Properties

Standard multifamily housing, with exclusions for student properties, seniors housing, manufactured housing communities, and cooperative housing. Loans may be used for acquisition or refinance. Hard subordinate debt is not permitted.

Terms

5, 7, 10, 12 or 15-year terms

Amount

Generally, \$2 million to \$10 million

Maximum Amortization

30 years

Amortization Calculations

Actual/360 standard; 30/360 available

Lock-out Period

2 years following securitization

Prepayment Provisions

Standard prepayment provision is yield maintenance until securitized followed by 2-year lock-out; defeasance thereafter. No prepayment premium for final 90 days. If loan is not securitized within first year, then yield maintenance applies until the final 90 days. Step-down and yield maintenance without defeasance are available at an additional cost.

Tax and Insurance Escrow

Generally required

Replacement Reserve Deposit

Generally required

Recourse Requirements

Non-recourse except for standard carve-out provisions

Loan Documents

Standard loan documents required, without modifications

Supplemental Loan Availability

Yes, subject to requirements specified in Loan Agreement

Application Fee

0.1% of loan amount

Lock Options

Spread lock for 60 days post-loan application. Index Lock option may be available for sponsors and properties that qualify.

Refinance Test

No Refinance Test is necessary if the loan has an amortizing debt coverage ratio (DCR) of 1.40x or greater and a loan-to-value (LTV) ratio of 60% or less.

LTV Ratios and Amortizing¹ DCR

Conventional Small Maximum LTV and Minimum DCR ²	Payment Type (For specific product adjustments, refer to individual term sheets)			
	Amortizing and Partial Interest Only ³		Full-Term Interest Only	
	Minimum Amortizing DCR	Maximum LTV ⁴	Minimum Amortizing DCR	Maximum LTV ⁴
≥ 5-Year and < 7-Year Term	1.25x	75%	1.25x	65%
7-Year Term	1.25x	80%	1.25x	65%
> 7-Year Term	1.25x	80%	1.25x	70%

¹The DCR calculated for the partial-term interest-only and full-term interest-only period uses an amortizing payment.

²Adjustments may be made depending on the property, product and/or market.

³For partial-term interest-only loans, there must be a minimum amortization period of 2 years. All mortgages with <2 years of Amortization must meet the requirement for full-term Interest Only Mortgages.

⁴Maximum combined maturity LTV is 70% subject to adjustment for certain property and loan types.