

# Structured Adjustable-Rate Mortgage

<b>BENEFITS</b>	<ul style="list-style-type: none"> <li>• Attractive low-cost financing.</li> <li>• Convertible to fixed-rate.</li> <li>• Flexible loan terms and prepayment options.</li> <li>• Ability to choose interest rate cap provider.</li> </ul>
<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• Existing, stabilized Conventional properties, Multifamily Affordable Housing properties, Seniors Housing properties, Student Housing properties and Manufactured Housing Communities.</li> <li>• Mortgage Loans secured by properties undergoing Moderate Rehabilitation may be eligible on a case-by-case basis.</li> <li>• Credit Enhancement Mortgage Loans and Substantial Rehabilitation are not eligible.</li> <li>• Loans of \$25 million or more.</li> </ul>
<b>TERM</b>	5, 7 or 10 years.
<b>AMORTIZATION</b>	Up to 30 years.
<b>INTEREST RATE ADJUSTMENTS</b>	Interest rate adjusts based on changes to the underlying Index and is equal to the Index plus the Margin. No limit on rate changes.
<b>MAXIMUM LTV</b>	75%.
<b>MINIMUM DSCR</b>	1.00x, using a DSCR calculated based on a variable underwriting rate. Mortgage loan amount shall not exceed that of a fixed-rate loan of similar terms.
<b>RATE LOCK</b>	Maximum 30-day commitments.
<b>SUPPLEMENTAL FINANCING</b>	Supplemental loans are available.
<b>PREPAYMENT AVAILABILITY</b>	After a one-year lock-out period, loans may be voluntarily prepaid. Lender selects the option of a declining prepayment premium or a 1% prepayment premium. No prepayment premium required during the last 3 months of the loan term.
<b>VARIABLE UNDERWRITING RATE</b>	Sum of (i) the Index, plus (ii) the investor spread, guaranty fee and servicing fee (the "Margin"), plus (iii) the interest rate cap escrow expressed as a percentage (if the cap term is shorter than the loan term), plus (iv) 3%, plus (v) the amortizing constant for that built-up rate.
<b>INDEX</b>	30-day Average SOFR.
<b>INTEREST RATE CAP</b>	<ul style="list-style-type: none"> <li>• Structured ARMs have no built-in periodic or lifetime caps. Instead, the Borrower must purchase an interest rate cap from an approved interest rate cap provider.</li> <li>• The term of the initial interest rate cap need not be equal to the term of the Mortgage Loan but must be for at least 5 years.</li> <li>• If the Mortgage Loan term is longer than the interest rate cap term, the Borrower must escrow monthly for the purchase of the next interest rate cap.</li> </ul>
<b>INTEREST RATE FLOOR</b>	The interest rate shall never be less than the Margin.

[NEWPOINT.COM](https://www.newpoint.com)



This sheet sets out the general guidelines of a loan program and is designed solely as an aid to prospective borrowers and other clients. It does not represent or imply a contract or a commitment to lend funds. A commitment to lend funds may only be made by a written letter issued by NewPoint to a prospective borrower. This term sheet is subject to change at any time without notice at the sole discretion of NewPoint Real Estate Capital LLC. Arizona Commercial Mortgage Banker License CBK - 0926535. Nevada Mortgage Company License 5605. California DFPI Finance Law License 603F812. California commercial real estate broker activities are conducted through NewPoint Multifamily Capital Corporation (California Department of Real Estate Broker License No. 01995692, which is a wholly owned subsidiary of NewPoint Real Estate Capital LLC. New York Real Estate Broker Company License No. 10991236549. North Carolina Collection Agency Permit No. 112712. North Dakota Money Broker License MB104168. South Dakota Non-Residential Mortgage Lender License 1140125.ML-NR. To view NewPoint's complete licensing information please visit [newpoint.com/licensing-disclosures](https://www.newpoint.com/licensing-disclosures).



## Structured Adjustable-Rate Mortgage

CONVERSION TO FIXED RATE	<p>Subject to the terms of the Loan Document, the variable rate Mortgage Loan may be converted to a fixed-rate Mortgage Loan (with a 7-or 10-year term) on any rate change date beginning on the first day after the Lockout Period and ending on the first day of the third month prior to the Maturity Date.</p> <ul style="list-style-type: none"> <li>• No Prepayment Premium charged at the time the variable rate Mortgage Loan converts to a fixed-rate Mortgage Loan.</li> <li>• Minimal re-underwriting. Lender determines that the current Net Cash Flow can support the new fixed-rate terms.</li> <li>• No increase in the loan amount; loan may be eligible for a Supplemental Loan.</li> </ul>
ACCRUAL	Actual/360.
RECOURSE	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.
ESCROWS	Replacement reserve, tax and insurance escrows are typically required.
THIRD-PARTY REPORTS	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment and Property Condition Assessment.
ASSUMPTION	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.

NEWPOINT.COM



This sheet sets out the general guidelines of a loan program and is designed solely as an aid to prospective borrowers and other clients. It does not represent or imply a contract or a commitment to lend funds. A commitment to lend funds may only be made by a written letter issued by NewPoint to a prospective borrower. This term sheet is subject to change at any time without notice at the sole discretion of NewPoint Real Estate Capital LLC. Arizona Commercial Mortgage Banker License CBK - 0926535. Nevada Mortgage Company License 5605. California DFPI Finance Law License 603F812. California commercial real estate broker activities are conducted through NewPoint Multifamily Capital Corporation (California Department of Real Estate Broker License No. 01995692, which is a wholly owned subsidiary of NewPoint Real Estate Capital LLC. New York Real Estate Broker Company License No. 10991236549. North Carolina Collection Agency Permit No. 112712. North Dakota Money Broker License MB104168. South Dakota Non-Residential Mortgage Lender License 1140125.ML-NR. To view NewPoint's complete licensing information please visit [newpoint.com/licensing-disclosures](http://newpoint.com/licensing-disclosures).

©2024 NewPoint Real Estate Capital LLC. All rights reserved.

