

BENEFITS

- Re-syndication solution.
- Interest-only options available.
- Interest rate cap options.
- Attractive, low-cost acquisition solution for preservation of Multifamily Affordable Properties.
- Convertible to fixed rate.

ELIGIBILITY

Existing, stabilized Multifamily Affordable Housing Properties.

TERM

5 or 7 years (10-year SARM Loan option also available).

LOAN SIZE

No minimum or maximum loan amount.

(Except SARM Loans that are not re-syndication transactions must be \$5 million or greater.)

AMORTIZATION

Up to 30 years.

MAXIMUM LTV

Up to 80%.

MINIMUM DSCR

ARM 7-6™ and ARM 5/5 Loan: 1.00x using the maximum lifetime interest rate.

SARM Loans - 1.00x using a variable underwriting rate equal to the sum of (i) the Index, plus (ii) the Investor spread, Guaranty Fee Rate, and Servicing Fee Rate (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.

PREPAYMENT AVAILABILITY

Mortgage Loan is locked-out from Prepayment for first 12 months, with a 1% Prepayment Premium thereafter. No prepayment premium is owed during the last 3 months of the loan term.

SARM Loans also offer the option of a one-year lock-out, then declining prepayment premium of 4% in the second year, 3% in the third year, 2% in the fourth year, and 1% thereafter.

INTEREST RATE ADJUSTMENTS

Adjusts based on changes to the underlying Index and is equal to the Index plus the Margin.

RATE LOCK

30-day commitments available.

INDEX

30-day Average SOFR.

INTEREST RATE CAP

ARMs 7-6™ have maximum monthly interest rate adjustment of 1% up or down. The maximum lifetime interest rate to Borrower is capped at 6%, plus the guaranty fee, plus the servicing fee.

ARM 5/5 Loans have a maximum monthly interest rate adjustment of plus or minus 1%. The maximum lifetime interest rate to the Borrower is capped at 5%, plus the Guaranty Fee, plus the Servicing Fee.

SARM Loans have no built-in periodic or lifetime caps. Instead, the Borrower must purchase an interest rate cap from an approved interest rate cap provider, with a minimum initial cap term of 5 years.

INTEREST RATE FLOOR

The interest rate shall never be less than the Margin.

CONVERSION TO FIXED RATE

Subject to the terms of the loan documents, the Mortgage Loan may be converted to a fixed-rate Mortgage Loan on any rate change date beginning on the first day of the second loan year and ending on the first day of the sixth loan year for an **ARM 7-6™**, or the first day of the third month prior to maturity for a **SARM Loan**.

- No prepayment premium is charged at the time that the Mortgage Loan converts.
- Conversion requires minimal re-underwriting; Lender determines that the current Net Cash Flow can support the new fixed rate.
- No increase in the loan amount, although the Property may be eligible for a Supplemental Loan.



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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.

