

## FANNIE MAE DUS®

### Negotiated Pools

Fannie Mae Multifamily purchases and securitizes pools of seasoned loans to reduce lenders' portfolio risk, improve liquidity or relieve regulatory pressure.

#### BENEFITS

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- Optimize balance sheet management by strategically selling or swapping pools of loans for MBS.
- Improve portfolio liquidity.
- Manage and mitigate concentration risk, whether credit, geographic or borrower.

<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• Permanent loans on multifamily rental properties comprised of five or more units.</li> <li>• Loans must be closed, or "seasoned," prior to purchase.</li> <li>• Pool minimum size of \$100 million.</li> </ul>
<b>EXECUTION OPTIONS</b>	<p>MBS Swap: Exchange whole loans for Fannie Mae MBS to be held in portfolio or sold to a capital markets investor for immediate liquidity.</p> <p>Wisconsin Avenue Security (WAS) REMIC: Fannie Mae tranches risk in a senior/subordinate capital structure, giving the lender the option of retaining the bonds or selling the bonds (to capital markets investors or to Fannie Mae).</p>
<b>PROCESS</b>	<p>A pool transaction is a complex and intricate process that affects many aspects of a lender's business. Fannie Mae has a dedicated and experienced team of credit, capital markets, legal, disclosure, operations and other professionals that will work with the lender from beginning to end, including:</p> <ul style="list-style-type: none"> <li>• Pricing: Includes (1) evaluating and scrubbing the 'data tape' to ensure initial compliance, (2) determining the best execution based on the lender's preferences and market conditions, and (3) providing indicative bids.</li> <li>• Loan Level Due Diligence: Thorough data, credit, and legal review.</li> <li>• Rate Lock: Manages the lender's interest rate exposure.</li> <li>• Closing and Funding: Executing transaction documents and releasing funds.</li> </ul> <p>Although each transaction varies depending on pool size, data quality, and loan characteristics, the entire process – from initial tape to funding – generally takes 8 to 12 weeks.</p>