

## FANNIE MAE DUS®

### ARM 7-6

Learn more about our 7-year variable-rate financing option with an embedded cap and an option to convert to fixed-rate.

#### BENEFITS

- Attractive low-cost financing.
- No minimum or maximum loan size.
- Maximum interest rate is set at rate lock.
- Convertible to a fixed-rate loan with minimal re-underwriting.

<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• Existing, stabilized multifamily properties, including: Conventional, Multifamily Affordable Housing, Seniors Housing, Student Housing, and Manufactured Housing Communities.</li> <li>• Loans for acquisition or refinance.</li> </ul>
<b>TERM</b>	7 years.
<b>AMORTIZATION</b>	Up to 30 years.
<b>INTEREST RATE</b>	Adjusts based on changes to the underlying Index and is equal to the Index plus the Margin.
<b>MAXIMUM LTV</b>	80%.
<b>MINIMUM DSCR</b>	1.00x at the maximum lifetime interest rate. Mortgage loan amount shall not exceed that of a fixed-rate loan with similar terms.
<b>RATE LOCK</b>	30-day commitments.
<b>INDEX</b>	30-day Average SOFR.
<b>SUPPLEMENTAL FINANCING</b>	Supplemental loans are available.
<b>PREPAYMENT AVAILABILITY</b>	No prepayment first year, 1% prepayment premium thereafter. No prepayment premium during the last 3 months of the loan term. When refinancing into a fixed-rate product with Fannie Mae, the prepayment premium may be waived under certain conditions.
<b>INTEREST RATE CAP</b>	Maximum monthly interest rate adjustment of 1% up or down. Maximum lifetime interest rate to Borrower capped at 6%, plus the guaranty fee, plus the servicing fee.
<b>INTEREST RATE FLOOR</b>	The interest rate will never be less than the Margin, which is the sum of the investor spread, the guaranty fee, and the servicing fee.
<b>CONVERSION TO FIXED-RATE</b>	<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>
<b>ACCRUAL</b>	Actual/360.
<b>RECOURSE</b>	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.

In its prequalifying review, Lument will attempt to estimate both the loan amount and the fees and costs associated with the transaction. Actual loan amounts and actual fees and expenses may vary from the prequalifying estimates. A prequalifying estimate is not a commitment to make a loan.

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<b>ESCROWS</b>	Replacement reserve, tax, and insurance escrows are typically required.
<b>THIRD-PARTY REPORTS</b>	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
<b>ASSUMPTION</b>	Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience.

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