



Small Apartment Loan Program

The Small Apartment Loan Program is a first mortgage product created specifically for small apartment properties (5+units) and offers the benefits of "A" pricing, longer loan terms of up to 30 years with no prepayment penalties upon Sale or transfer

Loan Amount	\$400,000 minimum to \$3,000,000	
Maximum Loan to Value	80% for Purchases and Rate & Term Refinances 75% for Cash-out Refinances	
Loan Terms	Initial fixed-rate terms of 1,3,5,7 or 10 years with annual rate adjustments thereafter until fully amortized over the life of the loan. No balloon payment. Straight 15-year term/15-year amortization is also available.	
Amortization	25 years. Up to 30 years if property meets certain criteria	
Rates	Fixed rate for initial term with annual rate adjustments thereafter over the full amortization of loan. No balloon payment. The Flex ARM product allows borrower to specify next pricing period (1, 3, 5, 7, or 10 years) at the end of the initial term and each renewal period until end of loan. Flex ARM rates are 0.25% higher than the ARM Program.	
Sample Rates	ARM Program	Initial Rate
	A1 (1 Year/6 mo. ARM)	4.125%
	A3 (3/1 ARM)	4.500%
	A5 (5/1 ARM)	5.375%
	A7 (7/1 ARM)	5.875%
	A10 (10/1 ARM)	6.375%
Eligible Property	Multifamily, minimum 5 units	
Eligible Borrowers	Individuals, Co-tenants, Partnerships, LLC's and non-single asset entities acceptable	
Minimum Debt Service Coverage Ratio (DSCR)	1.20 for Purchases and Refinances	
Tax and Insurance Escrows	Monthly deposits are required to Tax and Insurance Escrow. Waived if LTV is 50% or less.	
Replacement Reserves	Not required to be escrowed	
Required Reports	Appraisal Report. Property Condition Assessment for Cash-out Refinances over \$100,000	
Prepayment Penalty	No prepayment penalty upon sale or transfer	
Rate Lock	Interest rate may be locked for a 60-day period at, or after, loan registration	
Application Fee	Amount varies depending on property size (covers Appraisal and PCA report, if required)	
Underwriting Fee	\$1,020.	
Other Loan Costs	Mortgage title policy and closing fee, survey (if required), escrow funding, 1% loan origination fee	