



Fannie Mae DUS Adjustable Rate (ARM)

Fannie Mae DUS ARM Product offers increased proceeds over the fixed rate product with a lower initial interest rate. With an easy to use conversion feature, Fannie Mae's DUS ARM product gives owners an attractive option in a higher interest rate environment.

Loan Amount	\$500,000 minimum
Maximum Loan to Value	77.5%
Loan Term	7 or 10 years
Amortization	Up to 30 years
Adjustable Rate	Priced off the 1-month or 3-month LIBOR. Convertible and non-convertible options available
Eligible Property	Multifamily, minimum 5 units
Eligible Borrower	Single Asset Entity
Occupancy Requirements	90% Physical Occupancy for 60 days at application. 90 days at commitment
Debt Service Coverage Ratio	1.00 at Maximum Interest Rate
Tax and Insurance Escrows	Monthly deposits required. May be waived if certain criteria are met
Replacement Reserves	Underwritten at a minimum \$150 per unit per annum. Monthly deposits may be waived if certain criteria are met
Recourse	Non-recourse with standard exceptions for fraud and environmental issues
Required Reports	Narrative MAI Appraisal, Property Condition Assessment and Phase I
Prepayment	Lockout for Year 1. Thereafter, greater of Fee Maintenance or 1% of outstanding balance
Assumable	Subject to approval and 1% fee
Subordinate Financing	Mezzanine allowed subject approval for transactions greater than \$20,000,000
Supplemental Loans	Not permitted prior to conversion to fixed rate
Pricing	Tiered Pricing Matrix. More favorable terms available for higher DSC and lower LTV
Rate Lock	Standard 10-day rate lock period. Early/Extended rate lock options available
Application Deposit	\$20,000. Covers all estimated transaction costs (including Processing/Legal/Closing Fee)
Processing Fee	\$3,000 non-refundable (included with application)
Origination Fee	Minimum 1.00%. Par Pricing Available
Legal/Closing Fee	Legal Fee estimated at \$9,000 plus costs (included with application)
Good Faith Deposit	2% of Loan Amount, due at Rate Lock, refundable post closing