

FANNIE MAE ARM 7-6™

Fannie Mae's Multifamily Mortgage Business offers a 7-year variable-rate financing option with an embedded cap, and an option to convert to fixed rate.

TERM	7 years.	ELIGIBILITY <ul style="list-style-type: none"> Existing, stabilized multifamily properties, including: Conventional, Multifamily Affordable Housing, Seniors Housing, Student Housing, and Manufactured Housing Communities Loans for acquisition or refinance BENEFITS <ul style="list-style-type: none"> 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
AMORTIZATION	Up to 30 years.	
INTEREST RATE ADJUSTMENTS	Adjusts based on changes to the underlying Index and is equal to the Index plus the Margin.	
MAXIMUM LTV	80%	
MINIMUM DSCR	1.00x at the maximum lifetime interest rate. Mortgage loan amount shall not exceed that of a fixed-rate loan with similar terms.	
RATE LOCK	30-day commitments.	
INTEREST RATE CAP	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.	
INTEREST RATE FLOOR	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.	
CONVERSION TO FIXED RATE	<p>Subject to the terms of the loan documents, the loan may be converted to a fixed-rate 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.</p> <ul style="list-style-type: none"> 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; may be eligible for a Supplemental Loan. 	
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.	
ASSUMPTION	Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience.	