

Fixed Rate Program

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Description	Non-recourse, assumable fixed rate financing for the acquisition or refinance of stabilized multifamily rental or cooperative properties
Loan Amount	Minimum \$1,000,000-3,000,000
Loan Term	5-, 7-, 10- or 15-year balloon; 20-, 25- or 30-year fully amortizing
Amortization	25 or 30 years, based on property condition; Interest-only financing is available
Loan to Value Maximum	Maximum 80% of appraised value, or if property has been purchased within the past 12 months, 80% of lower of: a) purchase price, plus value added renovation, plus 3% closing costs, or b) appraisal
Coverage Minimum	1.25x minimum
Borrower	Domestic single asset borrowing entity is required
Interest Rate	Risk-based “Tier” pricing, varying with LTV and DSC ratios
Prepayment Terms	Yield Maintenance with no lockout, Defeasance, or fixed, step-down prepayment schedules
ThirdPartyReports	MAI Appraisal, Physical Needs Assessment, and Environmental Phase I Assessment are required, plus Seismic Report may be required for properties in Seismic Zones 3 and 4
Reserves	Tax and insurance escrows are required; Funded Repair and Replacement escrow is required, based on engineer’s Physical Needs Assessment; For loans of less than 65% of value with no deferred maintenance, funding of repair and replacement reserve can be waived at lender’s discretion
Application Fee	\$15,000; covers 3rd party reports and processing/underwriting costs
Origination Fee	Fannie Mae requires minimum origination fee equal to 1% of loan amount for loans of \$9 million or less; Minimum fee for loans over \$9 million through \$20 million is the greater of 0.8 percent or \$90,000; Fees decrease further as increasing loan size; Origination fee can be charged “outside” of the interest rate as a separate fee, or it can be built into the rate
Legal Fees	\$8,000 to \$12,000 varying with characteristics of the deal
Timing	45-60 days from application to commitment; dependent on 3rd party report timing and borrower’s submission of due diligence

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Rate Lock	Typically, lock occurs after commitment is issued; Early Rate Lock option is available, allowing rate lock within 3-4 weeks of application
Assumable	Loan is assumable, subject to lender approval of proposed replacement borrower; Fees include 1% assumption fee and a \$3,000 processing fee to cover lender's underwriting expenses
