



# Fannie Mae

## Discounted Mortgage Backed Security (DMBS)

### DESCRIPTION

Deutsche Bank Berkshire Mortgage offers financing under Fannie Mae's DMBS program. This facility provides exceptional rates for borrowers seeking either a large single loan of at least \$25 million or a pool of loans totaling \$50 million (which can be filled over a 12-month period). Properties in DMBS pools must have common control, not ownership, and there is no requirement for cross collateralization or geographical diversity. DMBS is a variable rate financing alternative for property owners seeking the lowest pay rate. Loans are funded through the issuance of a DMBS which is sold at a discount and recast at par every 3, 6 or 9 months in lieu of a stated interest rate. DMBS can result in substantial cash flows and huge savings over the life of the loan.

### BENEFITS / FEATURES

- Fannie Mae's only real estate backed short-term securities, issued with maturities between three and nine months, in one month increments.
- Non-interest bearing MBS, sold to investors at a discount and recast at par upon maturity.
- Variable Rate index is comparable to LIBOR at a much lower cost than the conventional ARM.

### LOAN STRUCTURE

LOAN AMOUNT .....\$25 million (single loan minimum); \$50 million (pool minimum).

LOAN TO VALUE .....75% (maximum).

DEBT SERVICE COVERAGE .....1.00x (minimum), at capped interest rate.

LOAN TERM .....5, 7, and 10 years.

AMORTIZATION .....30 years (maximum). Interest only available.

RECOURSE .....Loans are non-recourse with standard carve-outs.

RATES .....Competitive rates priced daily. Call for quote.

INTEREST RATE CAP .....Must be bought separately prior to rate lock and closing.

### OPTIONAL FEATURES

SUBORDINATE FINANCING .....DUS™ supplemental mortgage available after one year, subject to Lender's approval.

ASSUMABILITY .....Fully assumable with Lender's consent and upon payment of 1% fee.

PREPAYMENT .....Fee Maintenance schedule with a minimum of 1%.

### CONVERSION REQUIREMENTS

- May convert to a Fixed Rate at any DMBS rollover date with nominal fee.