



# Fannie Mae DUS™ MultiRate Mortgages

## DESCRIPTION

Deutsche Bank Berkshire Mortgage offers financing under the new Fannie Mae MultiRate Mortgages for newly originated mortgages. This program allows for a one- or two-year floating rate period followed by a fixed rate period at a pre-locked interest rate with a final year at floating rate indexed over 1-month LIBOR.

## BENEFITS / FEATURES

- Borrower can take advantage of the current low interest rate environment but still benefit from the competitive floating rate.
- Borrower receives benefit of maximum cash flow during initial floating rate period.
- By forward locking in the fixed rate at initial closing, interest rate risk is eliminated.

## LOAN STRUCTURE

LOAN AMOUNT .....\$3 million (minimum).  
 LOAN TO VALUE .....80% (maximum).  
 DEBT SERVICE COVERAGE..... 1.25x (minimum).  
 AMORTIZATION .....25 to 30 year amortization. Interest-only options may be available.  
 RECOURSE ..... Loans are non-recourse with standard carve-outs.  
 INTEREST RATE CAP ..... Not required.

	INITIAL FLOATING RATE PERIOD	FIXED RATE PERIOD	FINAL FLOATING RATE PERIOD
LOAN TERMS .....	1 or 2 years.	<ul style="list-style-type: none"> <li>■ With a 1 year initial floating rate period, fixed rate period may be 8 or 9 years.</li> <li>■ With a 2 year initial floating rate period, fixed rate period may be 7 or 8 years.</li> </ul>	1 year past fixed rate term maturity date.
RATES.....	1-month LIBOR plus a margin determined at time loan is committed.	Interest rate locked at early rate lock application or commitment.	Spread 240 bps over 1-month LIBOR.
PREPAYMENT .....	Standard YM options. YM based on fixed terms.	Standard YM options. YM based on fixed terms.	Prepayable at par.
TRANSFER / ASSUMPTIONS .....	Permitted with Fannie Mae's approval.	Permitted with Fannie Mae's approval.	Not permitted.

## CONVERSION REQUIREMENTS

- Automatic: Loan will not be re-underwritten at conversion from floating rate period to fixed rate period or when extended to 1-year floating rate term.
- Early conversion to fixed rate of interest not allowed.