



# Fannie Mae DUS™

## Supplemental Mortgage

### DESCRIPTION

Deutsche Bank Berkshire Mortgage offers Supplemental Mortgages under the Fannie Mae DUS™ loan program, allowing Borrowers to obtain additional loan proceeds with a pre-existing Fannie Mae mortgage. Standard DUS™ fixed-rate or ARM loans, Multifamily Affordable Housing, Seniors Housing, Student Housing, and Manufactured Housing Community loans are eligible for Supplemental Loans. Bond Credit Enhancement transactions are eligible with the prior approval of Fannie Mae.

### BENEFITS / FEATURES

- **Greater access to capital before maturity of first mortgage:** A total of 2x (up to 3x if in connection mortgage with a sale and assumption) without triggering any penalties on the pre-existing Fannie Mae mortgage.
- **Maximum proceeds:** Combined debt service coverage as low as 1.25x.
- **Choice of interest rate options:** Ability to place a fixed-rate or adjustable-rate Supplemental Loan regardless of the rate structure of the pre-existing Fannie Mae mortgage.
- **Streamlined documentation:** Ability to use either a Physical Needs Assessment (PNA) or a Streamlined Physical Due Diligence Review. In certain cases, no appraisal is required.

### LOAN STRUCTURE

LOAN AMOUNT .....	\$1 million (minimum).
LOAN TO VALUE .....	80% (maximum).
DEBT SERVICE COVERAGE.....	1.25x (minimum).
LOAN TERMS .....	5 years (minimum).
AMORTIZATION .....	30 years for most properties. Interest only available.
RECOURSE .....	Loans are non-recourse with standard carve-outs.
RATES.....	Fixed-rate or adjustable-rate regardless of the rate structure of the pre-existing Fannie Mae mortgage. Competitive rates priced daily. Call for quote.
FIRST LEIN SEASONING.....	Supplemental loans may be placed no earlier than 12 months after the closing of the previous lien.

### OPTIONAL FEATURES

EARLY RATE LOCK .....	Available for qualified transactions (up to 12 months).
ASSUMABILITY .....	Fully assumable with Lender's consent and upon payment of 1% fee.
PREPAYMENT .....	Yield maintenance or Defeasance options available.
MATURITY .....	Coterminous loans may mature at the same time as the first mortgage or no more than two years beyond the earlier of the maturity date or prepayment period end date of the first mortgage. Non-coterminous loans must mature at least two years after the maturity date of the first mortgage.

### STREAMLINED UNDERWRITING DOCUMENTATION

- Either a Physical Needs Assessment or a Streamlined Physical Due Diligence Review is acceptable.
- Appraisal: No appraisal is required for Supplemental Loans meeting these criteria:
  - LTV of 80% or less.
  - Combined DSCR of 1.3x or higher.
  - Placed after the first lien has been in the lender's portfolio for at least 3 years.
- Organizational Documents: Borrower Certification that there has been no change to organizational documents is accepted in lieu of updated organizational documents.