



Freddie Mac Streamline Refinance

DESCRIPTION

Deutsche Bank Berkshire Mortgage offers very competitive, assumable, long-term fixed rate loans under the Freddie Mac Program Plus[®] loan program. Any multifamily mortgage purchased by and in good standing with Freddie Mac is eligible for this program.

BENEFITS / FEATURES

- Speedy loan review and approval. Streamlined refinances can be completed in about half the time it would take to originate a new loan.
- Appraisal, engineering and environmental reports generally not required.
- Reduced Borrower documentation.
- Reduced property financial documentation.
- Three Financing Options: Exit Fee Flexibility, Extended Early Rate Lock, Supplemental with Extended Early Rate Lock.

LOAN STRUCTURE

LOAN AMOUNT	\$3 million (minimum).
LOAN TO VALUE	80% (maximum); 75% for loans with terms less than 7 years; 70% for interest-only.
DEBT SERVICE COVERAGE.....	1.25x (minimum); 1.50x for interest-only.
LOAN TERMS	5 to 30 years.
AMORTIZATION	30 years for most properties.
RECOURSE	Loans are non-recourse except for standard carve-out provisions.
RATES.....	Competitive rates priced daily. Call for quote.

OPTIONAL FEATURES

SUBORDINATE FINANCING.....	Generally not permitted.
ASSUMABILITY	Fully assumable with Lender's consent and upon payment of applicable fees.
PREPAYMENT	Yield Maintenance options available.
EXISTING LOAN PREPAYMENT	Freddie Mac may waive 1% prepayment premium following the expiration of the yield maintenance period if the loan was originated after 1993 and is not held in a securitized pool. Additionally, Freddie Mac will allow a Borrower to finance or build up to 50% of the remaining exit fee into the net spread of the new loan.
EARLY RATE LOCK	Available for qualified transactions.

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FINANCING OPTIONS

- **Option 1 - Exit Fee Flexibility** - Freddie Mac purchases a new refinance loan today, using our normal Standard Delivery or ERL Delivery.
 - Freddie Mac will agree to waive that portion of the exit fee that equals one percent (1%) of the outstanding principal balance of the loan if the borrower refinances with Freddie Mac.
 - Can use at anytime: no restrictions or limits on when yield maintenance period ends on existing loan.
 - Non-securitized and non-pooled loans are eligible.

- **Option 2 - Extended Early Rate-Lock** - Freddie Mac purchases a new refinance loan in **12 months**; however, Freddie Mac reserves the right to consider purchasing loans up to 18 months out on a case by case basis.
 - Lock the rate on a refinance loan for up to 12 months. Uses our normal 4-month early rate-lock period plus up to an 8-month extension. Allows the borrower to commit to the new refinance loan while waiting for the existing loan's yield maintenance period to expire or get close to expiration. Freddie Mac will not agree in advance to finance any of the prepayment premium payable at loan closing.

- **Option 3 - Supplemental with Extended Early Rate-Lock Refinance** - Freddie Mac purchases a new refinance loan in **24 months**.
 - Lock the rate on a refinance loan for up to 24 months. Allows the borrower to commit to the new refinance loan while waiting for the existing loan's yield maintenance period to expire or get close to expiration. The borrower receives additional proceeds today in the form of a supplemental loan.
 - The supplemental loan is originated today, which will help subsidize the early rate-lock costs on the refinance. The supplemental loan may be sized up to 80% combined LTV. The refinance loan will be purchased in up to 24 months. It will be for the combined amount of the projected future unpaid principal balance of the first mortgage and supplemental mortgage.

Comparison and Benefits of Three Options for Refinancing a Freddie Mac Multifamily Mortgage			
	Option 1 Exit Fee Flexibility	Option 2 Extended Early Rate-Lock (ERL)	Option 3 Supplemental with Extended ERL Refinance
Yield Maintenance (YM) due under first mortgage?	Yes YM equal to 1% of UPB waived, then 50% in spread, 50% cash	Depends No, if Extended ERL reaches end of YM period Yes, if Extended ERL does not reach end of YM period	Depends No, if Extended ERL reaches end of YM period Yes, if Extended ERL does not reach end of YM period
Time from rate-lock to anticipated purchase of the refinance loan by Freddie Mac	45 days Standard Delivery 120 days ERL Delivery	Up to 12 months With additional consideration, given for loans up to 18 months out on a case by case basis ERL Delivery only	Up to 24 months Standard Delivery or ERL Delivery