



Declining (Graduated) Prepayment Premium

Fannie Mae Multifamily offers a Declining Prepayment Premium (also known as Graduated Prepayment Premium) that provides a flexible prepayment premium structure for fixed rate Mortgage Loans, Structured ARM Loans (SARM Loans) and Hybrid ARM Loans.

Term 5, 7, 10, 12, 15, 18, or 30 years.

Fixed Rate Declining Prepayment Premium Structures

Loan Term	Structure	Lockout Period
5 years	5-4-3-2-1	None
7 years	5-4-3-2-1	2 years
10 years	5-5-4-4-3-3-2-2-1-1	None
12 years	5% loan years 1-4; 4% loan years 5-6; 3% loan years 7-8; 2% loan years 9-10; 1% to maturity	None
15 years	5% loan years 1-7; 4% loan years 8-9; 3% loan years 10-11; 2% loan years 12-13; 1% to maturity	None
18 years	5% loan years 1-7; 4% loan years 8-9; 3% loan years 10-11; 2% loan years 12-13; 1% to maturity	None
30 years	5% loan years 1-7; 4% loan years 8-9; 3% loan years 10-11; 2% loan years 12-13; 1% to maturity	None

SARM Loan Declining Prepayment Premium Structures

Loan Term	Structure	Lockout Period
5 years	5-4-3-2-1	1 year
7 years	5-4-3-2-1-1-1	1 year
10 years	5-4-3-2-1-1-1-1-1-1	1 year

Hybrid ARM Loan Declining Prepayment Premium Structures

Loan Term	Structure	Lockout Period
7 year fixed / 23 year adjustable	5-5-4-4-3-2-1	None
7 year fixed / 23 year adjustable	3-3-2-2-1-1-1	None
10 year fixed / 20 year adjustable	5-5-4-4-3-3-2-2-1-1	None
10 year fixed / 20 year adjustable	3-3-3-2-2-2-1-1-1-1	None

Benefits

- Provides more flexibility with a wider prepayment window.
- Easier calculation of Prepayment Premiums generally permitted at any point in the loan term.
- Certainty of execution.

Eligibility

- Available for all Asset Classes.
- Available for acquisition or refinance.
- Available for purchase by third-party Investors and the Fannie Mae Multifamily Trading Desk.

For More Information

Contact a Fannie Mae representative or visit Multifamily Business Portal for details.

multifamily.fanniemae.com