structured facilities monitoring narrative

General Facility Information

## Facility Name: (use name as referenced in MSFMS)

**Reporting Period**: (i.e. Jan-March 2010)

**Date Report Completed**: (i.e. May 30, 2010)

**Type of Facility**: Credit Facility or Bulk Delivery

**Facility Maturity Date**: September 30, 2016

**Note Maturity Dates with Amounts Outstanding**:

|  |  |  |  |
| --- | --- | --- | --- |
| **Execution** | **Amortizing/IO** | **Maturity Date** | **Outstanding UPB** |
| MBS | I/O | 3/31/15 | $100,000,000 |
| Fixed Cash | Amortizing | 9/30/16 | $50,000,000 |
| DMBS | I/O | 10/1/10 | $30,000,000 |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

### Credit Facility/Bulk Delivery Analysis

Coverage and LTV:

DSCR Compliance Test: 1.20 amortizing (state if amortizing, stressed, or I/O)

LTV Compliance Test: 75%

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Coverage Description | **Current Reporting Period – Compliance Test** | **Previous Reporting Period – Compliance Test** | **Current Reporting Period – Actual Debt Service** | **Previous Reporting Period – Actual Debt Service** |
| DSCR - 3 month |  |  | 1.55 | 1.24 |
| DSCR - 12 month | 1.65 | 1.55 | 1.70 | 1.63 |
| LTV - 12 month | 75.2% | 70.2% |  |  |

**Trends in DSCR and LTV:**  Fill out the table below by adding a row for the new reporting period.

|  |  |  |
| --- | --- | --- |
| **Current**  **Reporting Period** | **Compliance LTV** | **Actual DSCR** |
| 1Q 2008 | 62.4% | 1.55 |
| 2Q 2008 | 62.4% | 1.70 |
| 3Q 2008 | 65.5% | 1.72 |
| 4Q 2008 | 65.5% | 1.80 |
| 1Q 2009 | 65.5% | 1.81 |
| 2Q 2009 | 65.5% | 1.76 |
| 3Q 2009 | 70.2% | 1.74 |
| 4Q 2009 | 75.2% | 1.70 |

### Covenant Tests

Sponsor Analysis: (Complete table with covenant test per loan documents. If no covenant tests exist, type “None” in the first column.)

|  |  |  |  |
| --- | --- | --- | --- |
| Covenant Test Description | **Requirement Per Contract** | **Current Reporting Period** | **Prior Reporting Period** |
| Total debt to total assets | < 50% | 45% | 47% |
| NOI of non-multifamily assets vs. value of all real estate assets | < 25% | 15% | 15% |

\*These are included only as examples. Actual tests are described in each contract.

1. Identify any non-compliance issues or special notifications, and include an assessment and/or recommendation, as appropriate, made by the servicer.
2. Include discussion of any major change that impacted or could impact covenant tests.
3. Other Covenants (if applicable)

|  |  |  |  |
| --- | --- | --- | --- |
| Covenant Test Description | **Requirement Per Contract** | **Current Reporting Period** | **Prior Reporting Period** |
|  |  |  |  |
|  |  |  |  |

\*These are included only as examples. Actual tests are described in each contract.

1. Identify any non-compliance issues or special notifications, and include an assessment and/or recommendation, as appropriate, made by the servicer.
2. Include discussion of any major change that impacted or could impact covenant tests.

**Geographic/Asset location Tests: (completed in table format with examples below)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Test Description** | **Requirement Per Document** | **Current Reporting Period** | **Prior Reporting Period** |
| Asset Concentration |  |  |  |
| Geographical Diversity |  |  |  |

*\*These are included only as examples. Actual tests are described in each contract*

* **Brief narrative of activities in collateral pool and within the facility during the current quarter**:

1. New additions, substitutions, and releases.
2. Short comparison analysis between current quarter and prior quarter variances in EGI, NOI and Economic Occupancy, especially any variances greater than 10%.
3. Due diligence issues relating to additions, substitutions, and releases.
4. Identify all Watch List Properties and included required information. Indicate whether the properties are on Lender’s and/or Fannie Mae’s watch list.
5. Describe any significant changes/trends in DSCR and LTV. Include certification that no other conditions exist that would require recalculation of DSCR or LTV.
6. Changes in overall value of the collateral pool and overall borrowing capacity.
7. Discuss Portfolio Inspection results during the past quarter, including any properties rated 3 or below in its most recent inspection plus any properties with life/safety concerns. Include what follow up with the Borrower has occurred.
8. Discuss required repair completions.
9. Discuss hedge requirements, if applicable.
10. Any non-compliance issues.

**Total Facility Commitment Amounts:**  Follow the example below to show total commitment of Credit Facility or Bulk Delivery and as of date.

Fixed Rate Portion $ 0

Variable Rate Portion $ 755,000,000

Unused Collateralized Portion $ 100,000,000

Unused Uncollateralized Portion $ 0

**Max. Facility Commitment (as of XQXX) $ 855,000,000**

1. Other: Narrative on any other reportable event not included above

**(NEEDS TO BE DETAILED)**