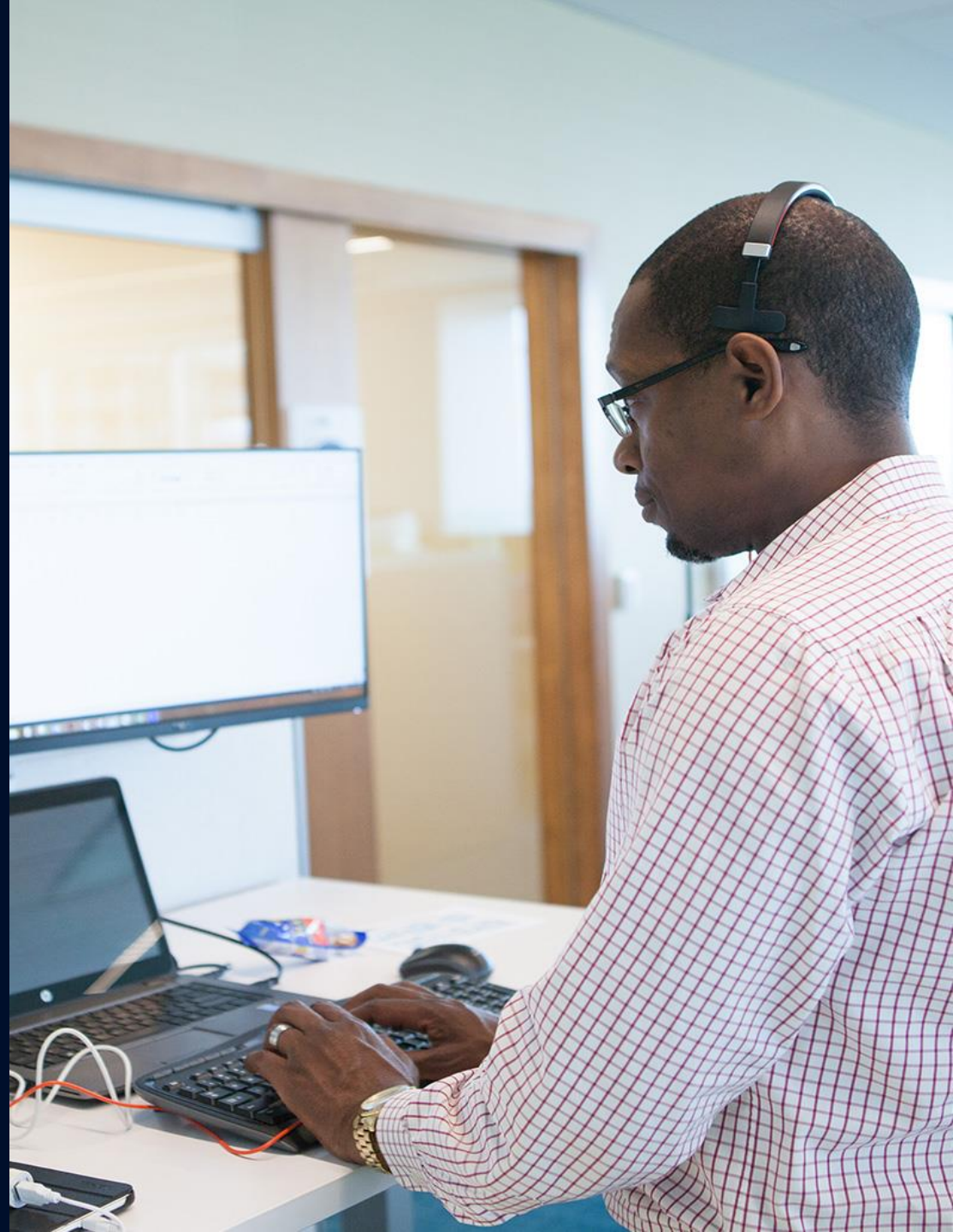
Fannie Mae®

Streamlined Rate Lock



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Q

What is Streamlined Rate Lock, or SRL?

A

A fast and flexible Multifamily execution that allows Lenders and Borrowers to manage interest rate risk by *locking the all-in interest rate* on a loan in a delegated fashion.

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Lock It Down

- You can lock the **entire rate**, not just the Treasury index or spread.
- **Guarantee** entire interest rate to be 100% locked for fixed-rate loans.
- **Eliminates** rate volatility.



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Lock It When You Want It

Chief Underwriter makes final decision

No prescribed Preliminary Underwriting Requirements

No review by Fannie Mae on delegated loans



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Any Size, Any Asset, Your SRL

- No Size Limit
- Conventional, Affordable, Seniors, Dedicated Student, MHC
- Green Rewards, Green Building Certification



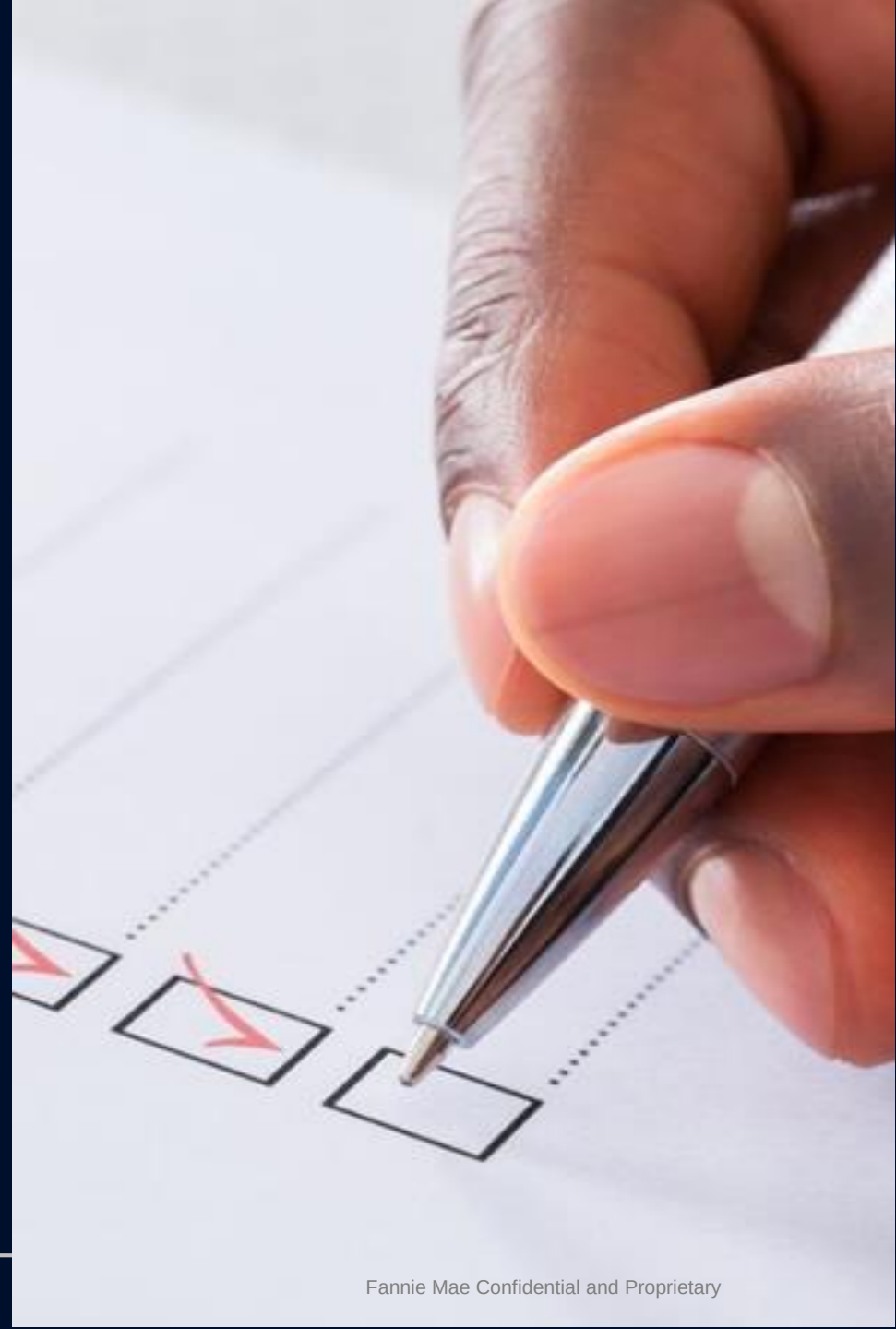
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SRL Execution Benefits

Breakage Fee limited to Good Faith Deposit: 2% for < 90 days
3% for 91-180 days

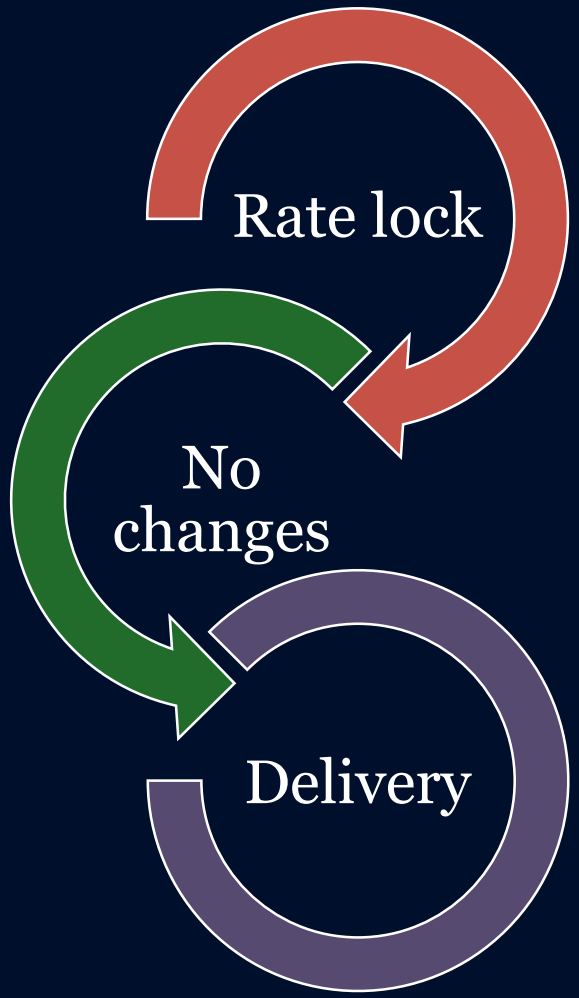
Max Term of Rate Lock: Up to 180 days

Final Underwriting: Completed by the earlier of loan closing date or 90 days after the date of the SRL agreement



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Understanding SRL



Full rate is known at lock.

No additions or subtractions based on final loan documents.

You own the underwriting process. Rate lock is final upon delivery.

We're Raising the Bar with our **Higher Delivery Tolerance**



+/- 5

No penalty for an increase or reduction of up to 5% from the rate lock amount.

If loan amount reduction is between 5-10% of the rate lock amount, a minimum penalty is involved.

-10

Breakage Fee Example

$12,000,000 What you plan to deliver

$11,000,000 What you actually deliver

Delivered in 89 days

$11,400,000 - $11,000,000 =

$400,000
x 2%

$8,000

SRL is Going Green

Already have the HPB report confirming that the Property will qualify as a Green Rewards Mortgage Loan?

OR

Already have the final Green Building Certification?

YES?

- Go ahead and Streamline Rate Lock your Green Mortgage Loan.

NO?

- Request both Green and non-Green G&S Fees.

What happens when the Green SRL **DOES NOT** close as a Green loan?

- **Before originating the Loan…**
  - Lender must notify Fannie Mae and make any necessary changes to the Loan amount and Gross Note Rate in loan documents.
- **Prior to the delivery deadline…**
  - Lender must update the loan to reflect the non-Green G & S fee at the time of rate lock as a Green loan.
  - Make any required change to the loan amount.



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Deal Example: Overview

- $23,650,000 loan amount
- Acquisition/Fixed-Rate
- 2003 construction with 228 units
- Market with low unemployment rates and strong job growth
- Green Rewards
- Concerned about rate volatility

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Deal Example: Benefits

- ✓ Flexible delivery tolerance: Rate locked $23.65M and was delivered $23.9M without any hassle
- ✓ Fully delegated deal: quicker execution and delivery times for lender
- ✓ Rate locked whole stack in August and not receive HPB report until October when it was delivered
- ✓ Utilized Fannie's Green Rewards product to receive competitive pricing
- ✓ Minimized interest rate volatility with speed and certainty of execution

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Want to learn more about how you can leverage SRL?

- **Questions about SRL?** Contact your Deal Team.
- **Additional Resources:**
  - SRL Term Sheet
  - Selling & Servicing Guide

Thank You for Joining!



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