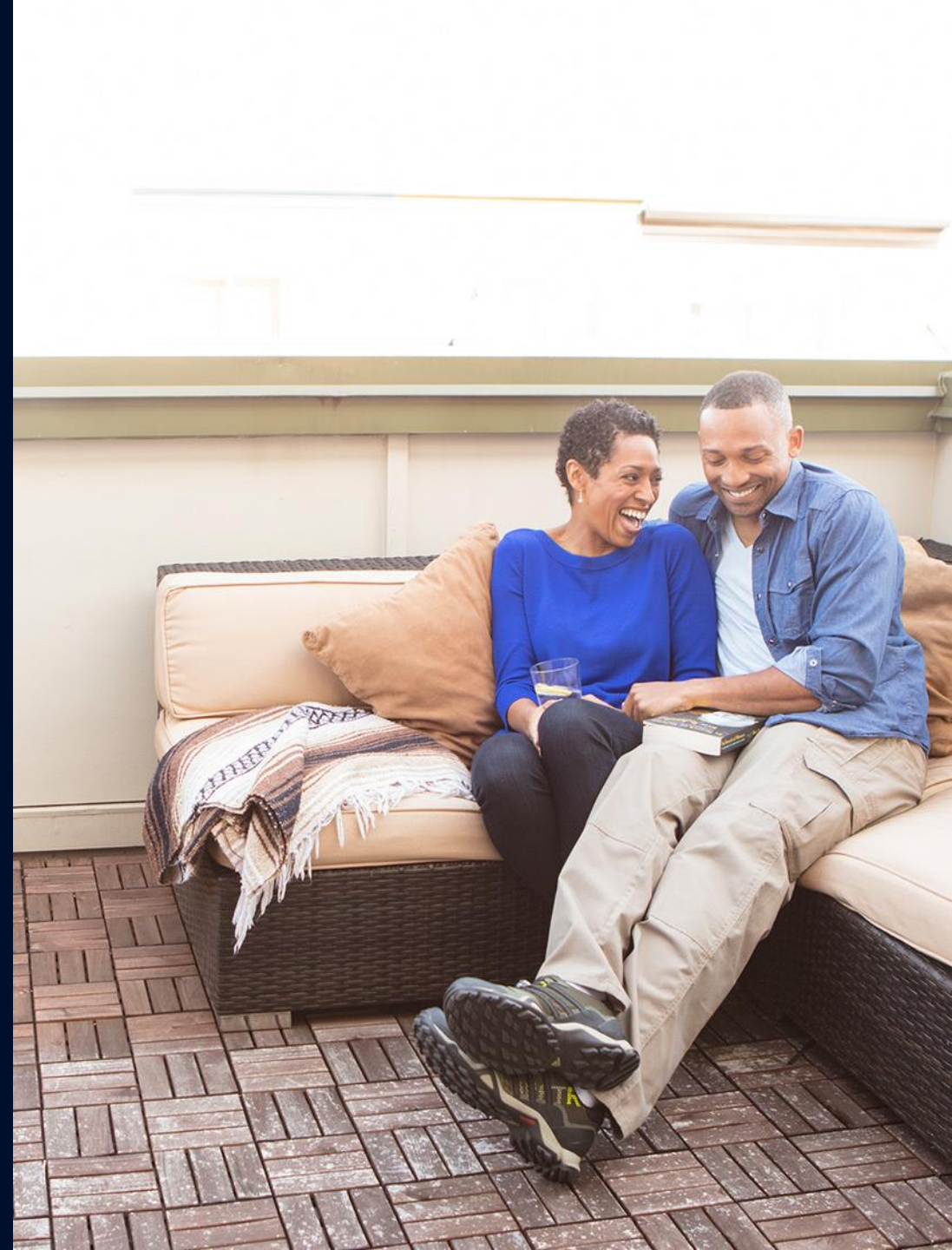




Fannie Mae®

Streamlined Rate Lock

February 2018





We are streamlining SRL in 2018






Presentation Agenda

- What is SRL?
- Why did ERL go away?
- SRL Benefits
- Historical Success
- Success Stories

Q What is Streamlined Rate Lock or SRL?

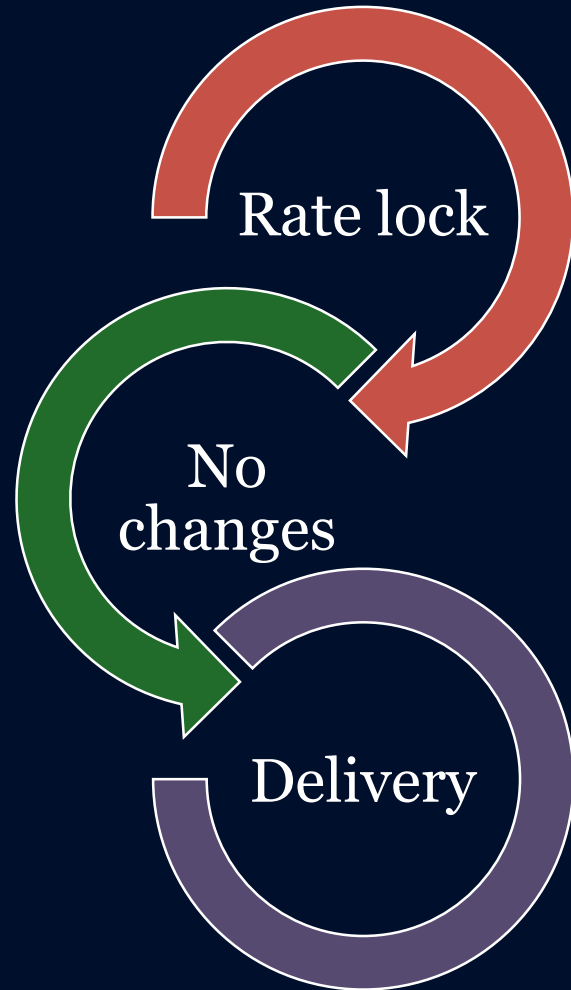
A A fast and flexible Multifamily execution that allows Lenders and Borrowers to manage interest rate risk by *locking the all-in interest rate* on loans in a delegated fashion.





We're putting
YOU in the
Driver's Seat

Understanding SRL



Full rate is known at lock.

After rate lock occurs, the rate stack remains unchanged based on final deal characteristics.

You own the underwriting process.



What's Changed with SRL?

It's Now Better than Ever to Underwrite

1

**Phase out
ERL**

2

**Expanding
SRL Eligibility**

3

**More
Delegation**



SRL Benefits

As a Lender, you set criteria for rate lock.

Standard Fannie Mae Underwriting Requirements.

You are delegated.

Lock the all-in interest rate in one simple step.



How does SRL stack up against the competition?

Streamlined Rate Lock

1

What's being locked?

Entire interest rate for fixed-rate loans

2

Eligible Loans

No size limit; Affordable, Seniors Housing, Dedicated Student Housing

3

Estimated Time to Rate Lock

Lender controls speed based on their requirements

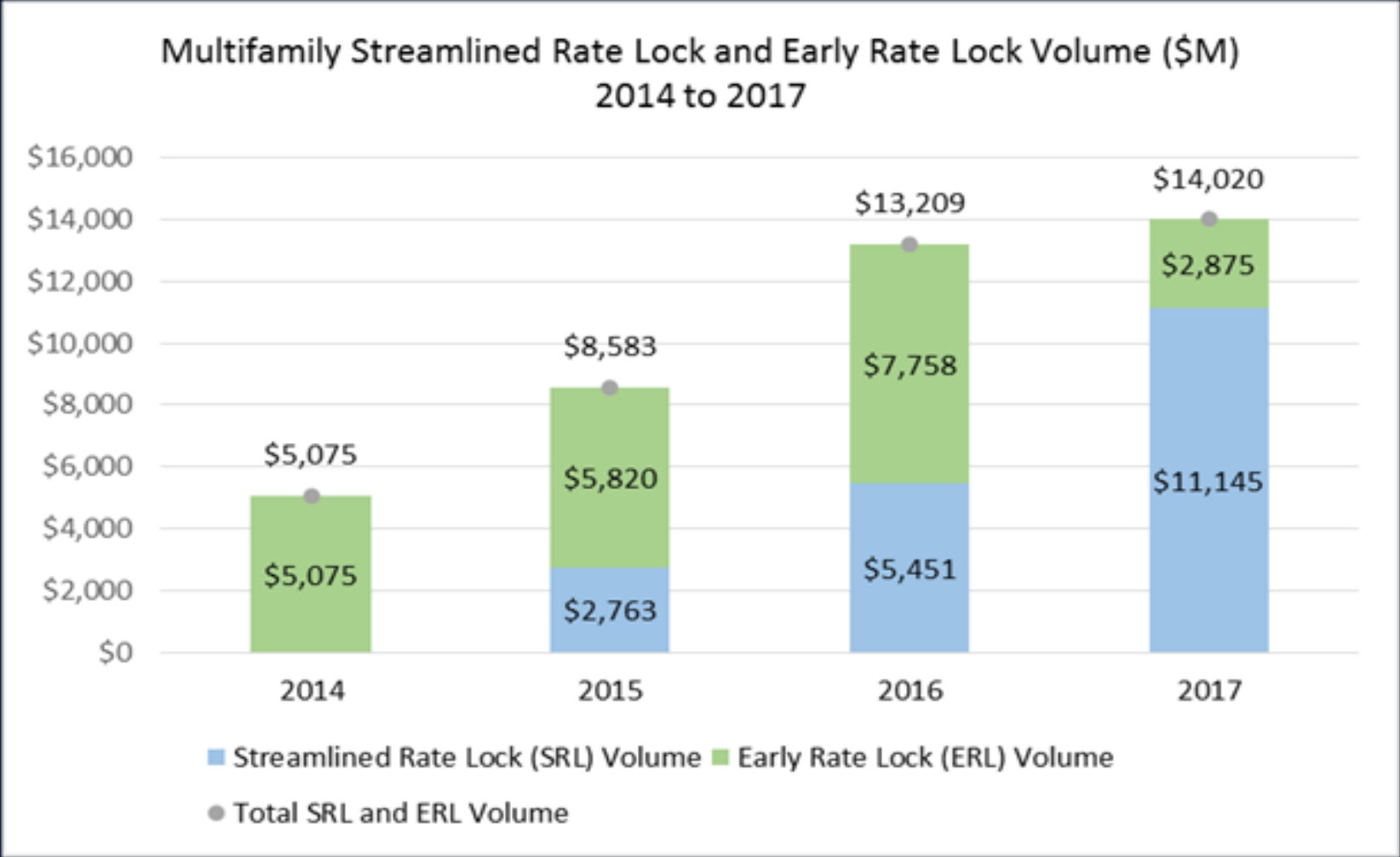


SRL Historical Success

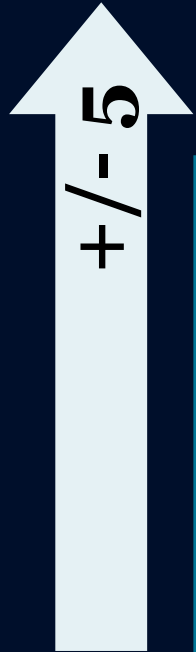
2017



Streamlining to Record Numbers



We're Raising the Bar with Delivery Tolerances



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

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



Breakage Fee Example

\$10,000,000

What you plan to deliver



\$9,000,000

What you actually deliver

Delivered
in 89 days

$$\$9,500,000 - \$9,000,000 =$$

\$500,000

x 2%

\$10,000



Full Breakage Example

\$12,000,000 What you planned to deliver in
90 days

Deal does not deliver in the
required Delivery Period.

Penalty:

\$12,000,000
x 2%

\$240,000

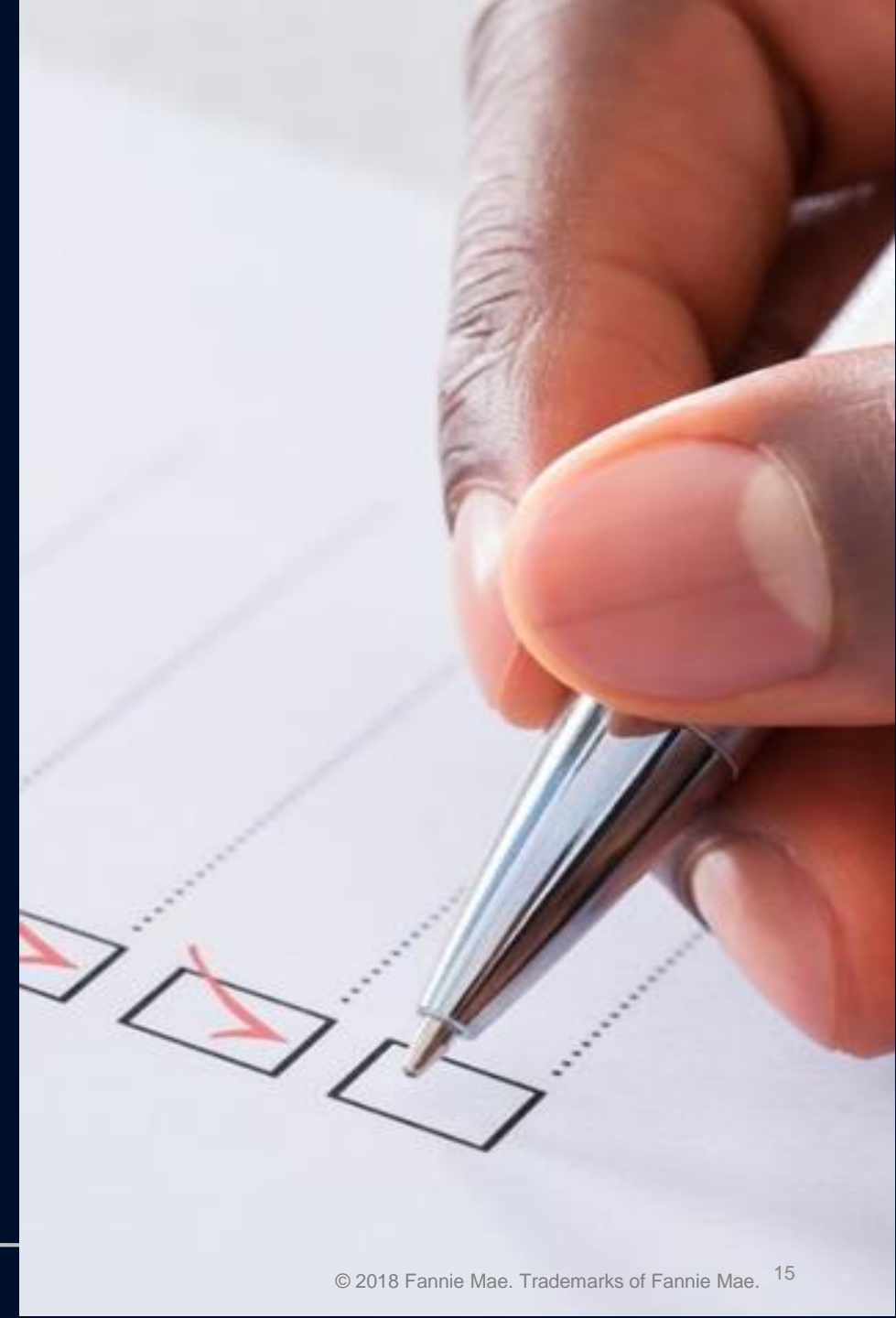


SRL Execution Benefits

Breakage Fee with Multifamily Trading Desk is limited to the Good Faith Deposit

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



Seniors Housing Example



Pre-review for Seniors Housing



Property: 2015 build, 2017 stabilized



Experienced Seniors owner and operator with 14 other properties



Rate locked within 12 days!



SRL is Going Green

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

OR

Any required Green Building Certification?

YES?

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

NO?

- ❖ Disclose as a **“Green MBS”**
- ❖ Receive alternative non-green G&S Fees



SRL Deal Example

- ✓ Fixed-Rate/Acquisition
- ✓ Fully delegated deal
- ✓ Mod Rehab, Green Rewards, Affordability
- ✓ 100% Excluded from Scorecard Cap
- ✓ Flexible delivery tolerance
- ✓ Minimized interest rate volatility

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.





Want to learn more
about how you can
leverage SRL?



- Questions about SRL?** Contact your Deal Team.
- Additional Resources:**
 - [SRL Marketing Sheet](#)
 - [Multifamily Selling & Servicing Guide](#)



Thank you!



Discussion Panel

Jeff McVehil – Chief Underwriter for CBRE Capital Markets out of Newport Beach, CA

Adam Randall – Managing Production Director from Berkley Point Capital out of Bethesda, MD

Lisa Bozzelli – Fannie Mae Director of Multifamily Capital Markets & Trading

Rob Levin – Fannie Mae Vice President of Multifamily Credit Underwriting

Almus Thorpe – Fannie Mae Customer Account Manager

