

## Flexible Choice Bridge



### Need variable-rate financing options for your affordable property? Look no further.

Fannie Mae's Flexible Choice Bridge offers two variable-rate financing options – the ARM 7-6™, and the Structured ARM (SARM) – each offering a fixed-rate conversion feature and specifically designed for Multifamily Affordable Housing (MAH) properties.

Whether you need short-term (bridge) financing for a property that will be resyndicated or you are looking for financing to acquire, rehabilitate, reposition, or re-leverage your property, our Flexible Choice Bridge is a fast execution that gives you the maximum proceeds and competitive rates with the options you want.

#### Flexibility and certainty

- Resyndication or low-cost acquisition solution for the preservation of MAH
- Flexible loan terms and prepayment options (six-month and one-year lock-out options)
- Interest-only options available
- Convertible to a fixed-rate loan
- Up to 80% LTV
- Ability to choose interest rate cap – embedded or third-party interest rate cap options
- Experienced, dedicated Affordable team partners with you to provide expert solutions

#### Rely on us

- Single-asset security allows for customized loan structures
- Delegated risk-sharing model provides certainty of execution, faster decisions, and quicker loan closings
- Experts who know the business and understand complex transactions
- Life-of-loan servicing means no other master or special servicer and seamless post-closing activities

**Contact a Fannie Mae representative to learn more about how our financing solutions can help you compete.**

## Our terms at a glance

### Flexible Choice Bridge

<b>Eligible Properties</b>	Existing stabilized MAH properties
<b>Term</b>	7 years (10-year SARM option available)
<b>Loan Size</b>	No minimum or maximum (except SARMS that are not resyndication transactions must be \$5 million or greater)
<b>Amortization</b>	Up to 30 years
<b>Maximum LTV</b>	Up to 80%
<b>Minimum DSCR</b>	ARM 7-6 – 1.00x using the maximum lifetime interest rate SARMS – 1.00x using a variable underwriting rate equal to the sum of (i) the Index, plus (ii) the investor spread, guaranty fee, and servicing fee (the “Margin”), plus (iii) the interest rate cap escrow expressed as a percentage (if the cap term is shorter than the loan term), plus (iv) 3%, plus (v) the amortizing constant for that built-up rate
<b>Prepayment Availability</b>	Loan is locked-out from prepayment for first 12 months ( <b>a 6-month lock-out option is also available with Fannie Mae prior approval</b> ). 1% prepayment premium thereafter. No prepayment premium during the last 3 months of the loan term. When refinancing into a fixed-rate product with Fannie Mae, the prepayment premium may be waived under certain conditions.  SARMS also offer an option of a one-year lock-out, then declining prepayment premium of 4% second year, 3% third year, 2% fourth year, 1% thereafter (not available with the 6-month option)
<b>Interest Rate Adjustments</b>	Adjusts based on changes to the underlying Index and is equal to the Index plus the Margin
<b>Rate Lock</b>	30-day commitments available
<b>Index</b>	1-month LIBOR for ARMS 1- or 3-month LIBOR for SARMS
<b>Interest Rate Cap</b>	ARM 7-6 have maximum monthly interest rate adjustment of 1% up or down. Maximum lifetime interest rate to Borrower capped at 6%, plus the guaranty fee, plus the servicing fee.  SARMS have no built-in periodic or lifetime caps. Instead, the Borrower must purchase an interest rate cap from an approved interest rate cap provider. Minimum initial cap of 5 years.
<b>Conversion to Fixed Rate</b>	Subject to the terms of the loan documents, the loan may be converted to a fixed-rate loan on any rate change date beginning on the first day of the second loan year and ending on the first day of the sixth loan year for an ARM 7-6 or the first day of the third month prior to maturity for SARMS.