

## Fannie Mae Multifamily DUS® CASH ARM Adjustable Rate Mortgage Financing

**Red Mortgage Capital, LLC** is an approved Fannie Mae DUS® (Delegated Underwriting and Servicing) mortgage lender that underwrites, funds and services first lien mortgage loans on multifamily rental properties nationwide. As a DUS Lender, **Red Mortgage Capital, LLC** is responsible for all underwriting and credit review and can sell mortgages of up to \$25 million to Fannie Mae on an expedited, delegated basis with no time-consuming prior review on Fannie Mae's part.

<b>Loan Amount:</b>	\$2,000,000 to \$25,000,000
<b>Term:</b>	5, 7 or 10 year balloon maturities
<b>Amortization:</b>	Up to 30 years
<b>Loan to Value Ratios:</b>	Varies by market and transaction but typically ranges from 75% - 80%
<b>Debt Coverage Ratios:</b>	Varies by market and transaction but the minimum is 1.00:1 at lifetime capped interest rate with amortization
<b>Features:</b>	<ul style="list-style-type: none"><li>• Non-Recourse, with exception of standard carve-outs for borrower's bad acts</li><li>• Assumable with lender approval and 1.0% fee</li><li>• Convertible or Non-Convertible</li></ul>
<b>Application Fee:</b>	Generally \$15,000 (non-refundable). Includes Physical Needs Assessment, Phase I Environmental Report, Appraisal Report and Property Inspection. All third party reports must be contracted by <b>Red Mortgage Capital, LLC</b> .
<b>Pricing:</b>	Fees and interest rates are quoted daily. Contact <b>Red Mortgage Capital, LLC</b> for specific pricing.
<b>Rate Adjustment Period:</b>	One month or three months
<b>Index:</b>	One month or three month LIBOR
<b>Periodic Cap and Floor:</b>	+/- 1.00%
<b>Lifetime Cap and Floor:</b>	Built in to the pricing, ranging from 2% to 6% above or below initial rate, based on Borrower's election. Margins vary based on the lifetime cap. The margin decreases on ARM's with higher lifetime caps.
<b>Prepayment:</b>	Prepayment terms affect pricing. All ARM loans are locked out for the first year. Under any scenario, there is no prepayment premium during the last 3 months prior to the loan's maturity date. Borrowers may choose between declining prepayment schedules or a schedule that provides a fixed 1% prepayment premium after one year.
<b>Conversion to Fixed Rate:</b>	Convertible loans may convert to fixed rate in years 2 through 5.
<b>Eligible Properties:</b>	Stabilized properties with at least 5 units (typically over 50 units) with proven location and management. Up to 20% commercial component permitted. Student housing permitted so long as it is designed as apartments, not dorm rooms.
<b>Borrower:</b>	Single asset, single purpose entities (some exceptions permitted)

**Requirements:**

- Escrow accounts for insurance, real estate taxes, special assessments
- Replacement reserve account
- Repairs must be completed within 12 months of loan closing, if applicable

**DUS Loan Funding:**

Loans are underwritten and funded at closing by **Red Mortgage Capital, LLC** as the approved Fannie Mae DUS lender, then sold to Fannie Mae for cash. Fannie Mae quotes “Cash Window” pricing daily.

**Territory:**

Nationwide

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**For additional information visit [www.redcapitalgroup.com](http://www.redcapitalgroup.com) or contact:**

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In its prequalifying review, **Red Mortgage Capital, LLC** will attempt to estimate both the loan amount and the fees and costs associated with the transaction. Actual loan amounts and actual fees and expenses may vary from the prequalifying estimates. A prequalifying estimate is not a commitment to make a loan.

**RED CAPITAL GROUP** Offices

Columbus, OH\_Boston, MA\_Chicago, IL\_Charlotte, NC\_Dallas, TX\_Nashville, TN\_Newport Beach, CA\_Reston, VA\_San Diego, CA

