

Harborview Multifamily FANNIE MAE® ARM Loan Program

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| Loan Amount | \$3,000,000 minimum |
| Loan Term | 5, 7, 10 or 15-year balloon; 20, 25 or 30-year fully amortizing |
| Amortization | 30 years |
| Maximum Loan to Value | Maximum 80% of appraised value, or if property has been purchased within the past 12 months, 80% of lower of: a) purchase price, plus value added renovation, plus 3% closing costs, or b) appraisal |
| Coverage Minimum | 1.00x minimum at maximum lifetime cap interest rate |
| Index | One-month or 3-month LIBOR, depending on ARM program; 3% lifetime change limit is typical, but additional options are available |
| Adjustment Period | One- or 3-months, depending on ARM program selected; 45-day lookback when 3 months, 15 days when 1 month |
| Prepayment | One-year lockout with 1% of unpaid principal balance thereafter; A declining prepayment schedule is also offered; No prepayment penalty is due during the last 90 days of loan; Prepayment fee is waived if loan converts to fixed rate |
| Interest Rate | Pricing varies with LTV and DSC ratios, lower risk rewarded with lower pricing; Interest rates change monthly or quarterly, depending on ARM program selected; "Plus Plus" pricing is available only with Declining Prepayment Schedule |
| Borrower | Domestic single asset borrowing entity is required |
| Third Party Reports | MAI Appraisal, Physical Needs Assessment, and Environmental Phase I Assessment are required, plus Seismic Report may be required for properties in Seismic Zones 3 and 4 |
| Reserves | Tax and insurance escrows are required; Funded Repair and Replacement escrow is required, based on engineer's Physical Needs Assessment; For loans of less than 65% of value with no deferred maintenance, funding of repair and replacement reserve can be waived at lender's discretion |

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| Supplemental Loan | Supplemental financing is allowed only if the mortgage has converted to a fixed rate |
| Application Fee | \$15,000; covers 3rd party reports and processing/underwriting costs |
| Origination Fee | Fannie Mae requires minimum origination fee equal to 1% of loan amount; can be reduced for loans over \$9 million |
| Timing | 45-60 days from application to commitment; dependent on 3rd party report timing and borrower's submission of due diligence |
| Rate Lock | Typically, lock occurs after commitment is issued; Early Rate Lock option is available, allowing rate lock within 3-4 weeks of application |

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