



**Discounted Mortgage  
 Backed Security (DMBS) Program**

<b>PROGRAM SUMMARY:</b>	The Fannie Mae Discounted Mortgage-Backed Security (DMBS) Program is a variable rate financing facility for property owners seeking the lowest pay rate. Loans are funded through the issuance of a DMBS, which is sold at a discount and recast at par every 3, 6 or 9 months in lieu of a stated interest rate. The Fannie Mae DMBS variable-rate generally trades inside of 90 day LIBOR at a cost significantly below available conventional variable-rate financing.
<b>ELIGIBLE PROPERTIES:</b>	Multifamily apartments and manufactured housing communities. Properties in DMBS pools must have common control, not ownership.
<b>PREFERRED LOAN SIZE:</b>	\$25 million (minimum) for a single asset. \$50 million (minimum) for a pool of assets, which can be filled within 12 months from initial closing. There is no maximum loan size.
<b>LOAN TERM:</b>	5, 7 or 10 years.
<b>MAXIMUM LOAN:</b>	Amount equal to the lesser of: 1. 75% of appraised value; or 2. 1.00 debt service coverage at the lifetime interest rate ceiling; or
<b>INTEREST RATES:</b>	Loans are priced at a fixed margin over the DMBS rate, as determined by market rates at the time of rate lock. The DMBS facility may also consist of a fixed-rate portion, which is priced at a spread over Fannie Mae mortgage-backed securities. Rates vary by loan-to-value ratio, debt service coverage and property quality.
<b>AMORTIZATION:</b>	Generally interest only. 30 years for higher leverage loans.
<b>INTEREST RATE CAP:</b>	Interest rate cap must be purchased separately prior to rate lock and closing. Interest rate swap is available for qualified borrowers.
<b>CONVERSION:</b>	Loans may convert to fixed-rate at any DMBS rollover date with nominal fee.
<b>PERSONAL RECOURSE:</b>	None, except for standard exceptions to non-recourse, which are the responsibility of the Key Principal(s).
<b>ASSUMABILITY:</b>	Assumable, subject to CWCapital approval and a 1% transfer fee.

hardworking + successful + prepared + accomplished  
innovative + versatile + knowledgeable + resourceful  
reliable + efficient + collaborative + flexible + creative  
accountable + prepared + problem solver  
flexible + responsive +

**PREPAYMENT:**

Fee Maintenance schedule with a minimum of 1%. Loans can also be structured with 1% prepayment premium throughout the life of the loan.

**SUBORDINATE FINANCING:**

Fannie Mae Supplemental Loans (second mortgages) available 12 months after initial loan closing.

**ESCROWS:**

Monthly escrows for real estate taxes, property insurance and replacement reserves.

**APPLICATION FEE:**

Based on estimated underwriting costs for appraisal, architectural/engineering report, environmental assessment and other loan processing costs.

**CLOSING EXPENSE:**

Standard transaction costs, including lender legal fees, title and survey (where applicable).

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**PRELIMINARY SUBMISSION PACKAGE:**

For each property, please include the following items in your request for a loan quote:

1. Property description and location map.
2. Representative color photographs.
3. Current rent roll and year-to-date operating statement.
4. Operating history - prior 3 years, if available.
5. Current year operating budget.
6. Existing debt and cost basis.
7. Sponsor resume.