



Fannie Mae MFlex Program

Potomac's MFlex product streamlines the entire loan process for multifamily acquisition and refinancing for loans up to \$3 million nationwide and \$5 million in selected Metro areas. Reduced documentation requirements, streamlined and cost effective report formats and legal/closing requirements make this the best financing option for loans up to \$5 million.

Loan Amount

\$1,000,000 minimum

Loan Term

Up to 30 years

Amortization

Up to 30 years

Minimum DSC

1.25

Maximum LTV

80%

Fixed Rate

Yes

Adjustable Rate

Available. Priced off the one-month or three-month LIBOR. Convertible and non-convertible options available.

Eligible Property

Multifamily, minimum five units

Eligible Borrower

Individuals, co-tenants and non-single asset entities acceptable.

Occupancy Requirement

90% physical occupancy for 60 days at application
90 days at commitment.

Tax and Insurance Escrows

Monthly deposits required. May be waived if certain criteria are met.

Replacement Reserves

Underwritten at a minimum \$150 per unit per annum. Monthly deposits may be waived if certain criteria are met.

Recourse

Non-recourse if over \$1.5 million. Otherwise, recourse required unless certain criteria are met.

Commercial Space

Maximum 20% of net rentable area and maximum 20% of effective gross income.

Required Reports

1050 Form Appraisal, Reduced Physical Needs Assessment and Phase I Environmental.

Prepayment

Yield Maintenance or Defeasance. 5-4-3-2-1 available.

Assumable

Subject to approval and 1% fee

Subordinate Financing

Not allowed

Supplemental Loans

Eligible for secondary financing after 12 months

Pricing

Tiered Pricing Matrix. More favorable terms available for higher DSC and lower LTV.

Rate Lock

Standard 10-day rate lock period. Extended rate lock options available.

Application Deposit

\$10,000. Covers estimated transaction costs (including Processing and Legal/Closing Fees).

Processing Fee

\$1,000 non-refundable

Origination Fee

1-2%. Par Pricing available

Legal/Closing Fee

Included in application deposit

Good Faith Deposit

2% of Loan Amount, due at rate lock, refundable post closing