

Choice Refinance

A variable-rate financing option with embedded caps and an option to convert to a fixed-rate mortgage loan.

Benefits:

Minimal documentation requirements mean faster approvals and lower costs. In most cases:

- No new appraisal
- No new engineering report
- No new environmental assessment

Plus, reduced borrower and property financial documentation requirements help make Choice Refinance loans fast and easy.

Eligibility:

Existing Fannie Mae DUS loans, including 3MaxExpress and co-ops, but not including Seniors Housing or Multifamily Affordable Housing loans, are eligible for Choice Refinance, provided:

- No delinquencies of 60 days or more during the three years prior to the proposed refinance
- No non-monetary defaults uncured over 120 days

The loan being refinanced may have been sold to Fannie Mae for cash, or it may be in an MBS.

Eligible Properties	Stabilized properties (85% occupancy for 90 days). Property must have been rated Satisfactory or better on most recent inspection.
Loan Amount	No minimum. Loans larger than \$25 million usually require pre-review by Fannie Mae.
Loan Term and Amortization	Standard DUS options are available (5- to 30-year terms, generally 30-year amortization).
Maximum LTV	Maximum 80% LTV
Minimum DSCR	Minimum 1.25x DSCR, calculated according to DUS underwriting guidelines
Recourse Requirements	Non-recourse except for standard carve-outs
Borrower Documentation	In lieu of providing new loan documentation, borrower may certify: <ul style="list-style-type: none"> • No change to organization • No change to good standing • No material adverse change to financial strength and credit standing See Choice Refinance Document Checklist for a complete listing of required documentation.
Third-party Reports	<ul style="list-style-type: none"> • <i>Valuation</i>: Third-party appraisals generally not required. The Lender provides a property valuation • <i>Environmental Assessment</i>: Borrower certification of no charge may be acceptable • <i>Physical Needs Assessment</i>: Engineering report by the Lender may be acceptable in lieu of a new third-party report
Other Property Documentation	It is not necessary for the borrower to provide historical property financial information that has been previously provided to Lender. See Choice Refinance Document Checklist for a complete listing of required documentation.
Rate Lock	Extended Rate Lock (ERL) feature is available, allowing the borrower to lock a rate up to 18 months in advance of the Yield Maintenance End Date.
Pricing	Pricing is tiered and based on the risk attributes of the loan
Supplemental Financing	DUS Supplemental Loans are permitted after the Choice Refinance loan has been in place for one year.
Prepayment Provisions	Prepayment premium for existing loan may be paid from proceeds on the new loan