

Structured Adjustable-Rate Mortgage



The lowest all-in rate and fixed- to floating-rate conversions in as little as one week. What more do you need to know?

Our Structured Adjustable-Rate Mortgage (SARM) leads the market with easy conversions, a fixed-rate cap, and the flexibility and certainty of execution only our Delegated Underwriting and Servicing (DUS®) model provides. Add in competitive pricing, flexible terms, and an array of prepayment options and you've got one powerful financing tool.

Fannie Mae's SARM offers long-term financing with a very competitive variable interest rate that is convertible to a fixed rate. Borrowers can convert to fixed rate in a matter of weeks, assuming the unpaid principal balance does not increase. Cash-out proceeds are available by refinancing a SARM into a Choice Refinance loan with streamlined underwriting.

Flexible and certain

- Competitive pricing
- By amortizing at the higher fixed rate used to size the loan, a SARM allows lower principal payments than our competitor's variable-rate products
- Lower overall debt service payments and lower cap costs on loans with long-term interest-only features
- No breakage fees between application and rate lock
- Flexible loan terms and prepayment options
- Ability to choose interest rate cap

Rely on us

- Single-asset security allows for customized loan structures
- Delegated risk-sharing model provides certainty of execution, faster decisions, and quicker loan closings
- Experts who know the business and understand complex transactions
- Life-of-loan servicing means no other master or special servicer and seamless post-closing activities

Contact a Fannie Mae representative to learn more about how our financing solutions can help you compete.



Speed and flexibility you can rely on

Phyllis Klein, Vice President, Multifamily Customer Engagement

Our Structured ARM is a flexible financing tool that offers lower principal and debt service payments, quick conversions, and the ability to choose your own interest rate cap. Add to that the certainty of execution and life-of-loan servicing inherent in the DUS model, and you've got one powerful tool to manage your portfolio.

Fannie Mae Structured ARM

Amortization	The SARM amortizes at a fixed rate, yielding lower principal payments during the loan term than our competitor's variable rate products
Minimum loan amount	\$25 million minimum, but flexible depending upon sponsorship
Rate options	Fully convertible to fixed rate. Additional proceeds may be available with a supplemental loan.
Conversion to interest-only	Remaining interest-only period carries over at conversion, subject to underwriting analysis
Minimum strike rate	4% minimum strike rate, with flexibility depending upon sponsorship
Legal structure	<ul style="list-style-type: none"> • Single-asset entity standard • Non-consolidation opinion and independent director are not required – a cost savings