



Declining (Graduated) Prepayment Premium

Fannie Mae Multifamily offers a Declining Prepayment Premium (also known as Graduated Prepayment Premium) that provides a flexible prepayment premium structure for Fixed-Rate Mortgage Loans, Structured ARM Loans (SARM Loans) and Hybrid ARM Loans.

Term 5, 7, 10, 12, 15, 18, or 30 years.

Fixed-Rate Declining Prepayment Premium Structures

Loan Term	Structure	Lockout Period
5 years	5-4-3-2-1	None
7 years	5-4-3-2-1	2 years
10 years	5-5-4-4-3-3-2-2-1-1	None
12 years	5% loan years 1-4, 4% loan years 5-6, 3% loan years 7-8, 2% loan years 9-10, 1% to maturity	None
15 years	5% loan years 1-7, 4% loan years 8-9, 3% loan years 10-11, 2% loan years 12-13, 1% to maturity	None
18 years	5% loan years 1-7, 4% loan years 8-9, 3% loan years 10-11, 2% loan years 12-13, 1% to maturity	None
30 years	5% loan years 1-7, 4% loan years 8-9, 3% loan years 10-11, 2% loan years 12-13, 1% to maturity	None

SARM Declining Prepayment Premium Structures

Loan Term	Structure	Lockout Period
5 years	5-4-3-2-1	1 year
7 years	5-4-3-2-1-1-1	1 year
10 years	5-4-3-2-1-1-1-1-1-1	1 year

Hybrid ARM Declining Prepayment Premium Structures

Loan Term	Structure	Lockout Period
5 yr Fixed / 25 yr Adj	5-4-3-2-1	None
5 yr Fixed / 25 yr Adj	3-2-1-1-1	None
7 yr Fixed / 23 yr Adj	5-5-4-4-3-2-1	None
7 yr Fixed / 23 yr Adj	3-3-2-2-1-1-1	None
10 yr Fixed / 20 yr Adj	5-5-4-4-3-3-2-2-1-1	None
10 yr Fixed / 20 yr Adj	3-3-3-2-2-2-1-1-1-1	None

Investor Portion of Declining Prepayment Premium

Fannie Mae will pass through to the Investor the amount of the Prepayment Premium that exceeds 1% of the amount of principal being prepaid.

Benefits

- Provides more flexibility with a wider prepayment window.
- Easier calculation of Prepayment Premiums generally permitted at any point in the loan term.
- Certainty of execution.

Eligibility

- Available for all Asset Classes.
- Available for acquisition or refinance.
- Available for purchase by third-party Investors and the Fannie Mae Multifamily Trading Desk.

For More Information

Contact a Fannie Mae representative or visit Multifamily Business Portal for details.

fanniemae.com/multifamily