



## **Interest Rate Cap Options for Floating-Rate Cash Loans**

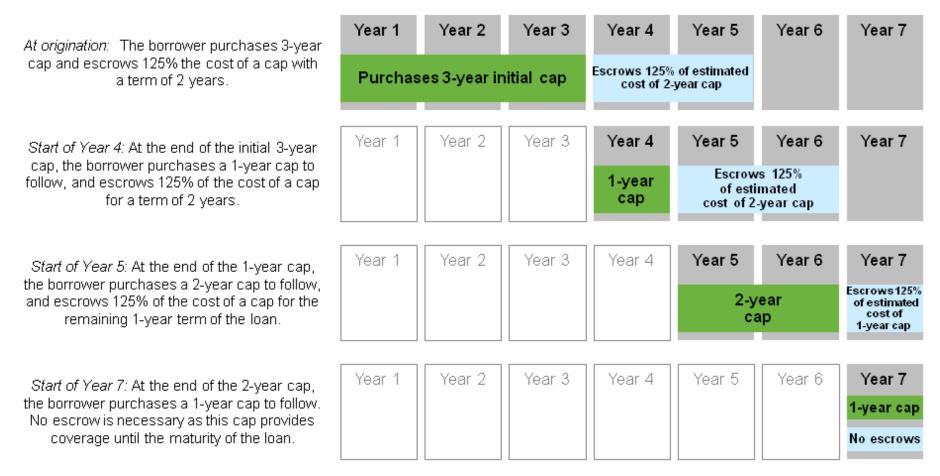
	Cap Termination Date(s)		Uncapped
Term of Initial Cap*	3 years (minimum)	Borrower may select a term length of 3 years up to the full term of the loan for the initial cap	No caps, but:  • Requires loan-to-value (LTV) ratio less than 60%  • Must achieve a minimum 1.00x debt service coverage ratio (DCR)
Term(s) of Replacement Cap(s)*	As each cap ends, borrower may select any term for the replacement cap so long as the term of the replacement cap is not less than 1 year		at the greater of (i) 7% interest rate or (ii) one-month SOFR + Margin + 300 bps
Escrow Sizing	<ul> <li>Calculated and maintained at 125% of the amount estimated by Lender to be sufficient to purchase, immediately prior to termination of the thenexisting cap, a replacement cap that expires on the earlier of the date that is 2 years after termination of the then existing cap or the loan maturity date</li> <li>125% escrow is maintained until borrower obtains a cap with a term equal to the maturity of the loan</li> </ul>		None
Escrow Analysis Frequency	Semi-annual Semi-annual		None

<sup>\*</sup> All caps must have terms in annual increments.

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## Example: Initial 3-year cap with replacement caps for a 7-year cash loan



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