



Job Aid for Omnibus Interest Rate Cap Reserve and Security Agreement

The Omnibus Interest Rate Cap Reserve and Security Agreement (“Omnibus Agreement”) is now being implemented programmatically for all Credit Facilities that include a SARM Loan. This document incorporates a few changes to how the escrows for the Subsequent Interest Rate Caps are managed. Lenders should refer to the applicable Omnibus Agreement for each specific Credit Facility, as the terms of the Omnibus Agreement will govern the management of the Interest Rate Cap Reserve Escrow accounts and may differ from the guidance below if the Omnibus Agreement includes specifically negotiated terms.

In general, the Omnibus Agreement requires that:

- The Interest Rate Cap Reserve Escrow accounts for all Interest Rate Caps are collectively reassessed 6 months after the effective date of the Omnibus Agreement (defined in the Omnibus Agreement as the “Date of Determination”), and every 6 months thereafter.
- At each Date of Determination, the Lender must estimate the cost of each required Subsequent Interest Rate Cap and adjust the Monthly Deposit applicable to each Subsequent Interest Rate Cap up or down (if necessary), provided that:
 - downward adjustments are not permitted if the amount estimated to be on deposit in the applicable escrow account as of the date the applicable Subsequent Interest Rate Cap must be purchased is less than 115% of the then current estimate for the cost of a Subsequent Interest Rate Cap meeting all the requirements of the Omnibus Agreement;
 - Monthly Deposits must never less than \$0; and
 - the Lender must not disburse any amounts from the escrow except as required by Section 3.07 (Disbursement for Purchase of Subsequent Interest Rate Cap) and Section 3.08 (Remaining Balance After Payment of Purchase Price) of the Omnibus Agreement.
- If Lender determines that an escrow is “overfunded” (meaning, the amount then on deposit in the Interest Rate Cap Reserve Escrow is 115% or more of the then current estimate for the purchase of the Subsequent Interest Rate Cap), Borrower may elect to “move” the excess funds from the “overfunded” escrow to another Interest Rate Cap Reserve Escrow under the Omnibus Agreement. In the event any such funds are “moved”, the Lender must recalculate the Monthly Deposits associated with the Interest Rate Cap Reserve Escrow to which the funds were “moved” (as provided above).