

	FREQUENTLY ASKED QUESTIONS	CATEGORY	ANSWER
1	Who is my Lender now?	Servicing	Your loan has been sold in a CMBS transaction and is now owned typically by a trust. Each such trust will typically own many loans. Your contact on your loan will be the Master or Primary Servicer as identified in an introductory welcome letter typically mailed to a borrower within 7 to 10 days of the transfer of the loan.
2	What happened to my original Lender?	Servicing	In a CMBS transaction, a pool of loans (including your loan) is securitized and sold, typically to a trust. The original lender no longer holds any interest in your loan and cannot make decisions about your loan and its handling.
3	Who and what is a Master Servicer/Sub Servicer/Primary Servicer?	Servicing	The Master Servicer is responsible for the ongoing loan administration for all loans in a CMBS pool that are performing and current, including collecting payments, managing escrow accounts, collecting and analyzing operating statements and rent rolls, performing property inspections and all other routine loan administration functions. The Master Servicer may also be responsible for all or certain borrower-related requests including those relating to consents, waivers, property transfers and modifications. Each trust will provide for the party that is responsible for responding to these requests. Certain of the above duties may be contracted out to a third party who would be identified as a Primary or Sub-Servicer.
4	Who and what is a Special Servicer?	Servicing	The Special Servicer is the party that will address issues that arise under your loan documents that are not routine. In some trusts, this may include addressing performing loan issues such as approvals for the sale of the property and assumption of the debt, evaluation of loan modification requests, earnout releases, approvals of material leases, approvals to change management companies, approvals to change

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hotel franchises, and changes to the collateral securing the loan. In some trusts, the Master Servicer will seek approval from the Special Servicer for these types of consents. If a loan goes into default past applicable grace periods, generally the servicing and administration of the loan will be transferred by the Master Servicer to the Special Servicer who is empowered to exercise the rights of the Lender under the loan documents (such as agreeing to a workout or foreclosing on the collateral). Depending on the circumstances, the Special Servicer may need to seek approval of third parties (which may include a controlling class representative, rating agencies and other lenders (such as a mezzanine lender). It should be noted that it is only possible for the Borrower to access the Special Servicer by defaulting. Also, it should be noted that on assumptions and base approvals, the clock does not start until the full package is submitted.

5 Who and what is the role of the Trustee?

Servicing

When a loan is securitized, it is sold into a CMBS trust (also known as a Real Estate Mortgage Conduit trust- REMIC trust). The trust has a Trustee. Usually, the Trustee is a bank or a company that specializes in being a REMIC Trustee. The Trustee does not deal with the day-to-day administration issues that arise in a loan. Its role includes reporting to investors in the trust, custodianship of the original loan documents, remitting payments to bondholders (the investors in the trust) and responding to bondholder questions. The Master Servicer, Primary/Sub Servicer and Special Servicer are responsible for handling the enforcement of your loan documents. The role of the Trustee versus the various Servicers is spelled out in a contract among them called a Pooling and Servicing Agreement ("PSA").

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6	Why do I have to have certain things approved by the Rating Agencies? Who are they? Does it cost money to get their approval?	Servicing	Rating agencies assign credit levels (AAA to B- to unrated) to the various tranches in the securitization of a pool of loans. The levels measure probability of default, within the pool of loans as a whole. Because the ratings are assigned when the securitization closing occurs, certain changes to loans within the pool can affect whether these ratings change during the life of the pool. Rating agency approval is generally necessary for any change, modification or action to the collateral for the loan if the loan exceeds a dollar amount (the specific dollar amount will vary from pool to pool), equals or is more than a percentage of the pool (this also will vary from pool to pool and loans to related borrowers may be added together to make this determination) or is one of the 10 largest loans in the pool (again, loans to related borrowers may be aggregated in making this determination). Rating agency approval means that the rating agency has confirmed in writing that a contemplated action or circumstance will not, in itself, result in a downgrade, withdrawal, or qualification of the agency's then current rating of any rated securities for the pool. The following rating agencies rate CMBS securities: Standard & Poor's, Moody's, Fitch and DBRS. Which rating agencies must approve your request will be set forth in the PSA for the particular pool. The agencies may charge a fee to perform the required review (associated with requests such as assumptions, modifications, change of control, defeasance, partial property releases, etc.), and your Servicer may or may not pass that fee along to you.
7	How do I get money out of reserves? How long will it take?	Servicing	Typically, your loan documents provide the conditions and requirements with which you as a borrower must comply to get funds released from

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8 Do I have to pay for all tenant improvement, capital repairs and lease commission costs before I submit a request for the release of funds from the reserves?	Servicing	a reserve. For example, the loan documents may require that the funds be used for a specified purpose and may require that the borrower submit certain supporting documentation acceptable to the Lender as a condition to the release of the funds. Reserve disbursements are generally completed within 10 to 15 days from the receipt of all required documentation from the borrower.
9 Do I earn interest on the various escrow accounts?	Servicing	Typically, your loan documents provide whether funds are to be disbursed from the various reserves to pay these costs or to reimburse the borrower after it has paid these costs. Contact your Servicer as identified in the welcome letter to discuss your situation.
10 How do I get an update on amounts currently in reserve accounts?	Servicing	The loan documents govern whether a borrower is entitled to be paid interest on escrow accounts. If the loan documents do not expressly state that the borrower is entitled to interest on an escrow account, interest will not be paid to the borrower.
11 How do I check the status of reserve requests?	Servicing	Contact your Servicer as identified in the welcome letter.
12 How do I check that the taxes and insurance premiums have been paid?	Servicing	Contact your Servicer as identified in the welcome letter.

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13	Why are the tax and insurance reserves more than what actually is due?	Servicing	In general, real estate taxes and insurance premiums increase from year to year. As such, basing next year's tax and insurance premium escrow amounts on the prior year's amounts may result in a shortfall in the escrow amounts. To ensure that adequate funds are available to pay the taxes and insurance premiums when due, the amounts on which the escrow payments are based are generally the prior year's amounts, increased by some inflation factor based on the Servicer's estimate.
14	Do you pay the taxes in time to get the early discount or do you wait until the taxes are due and pay the higher amount? Can I get it paid on the earliest discounted date?	Servicing	Servicers will generally pay the taxes in time to get the early discount provided they have adequate funds on reserve and are notified in writing of the discount requirements. Contact your Servicer to discuss.
15	Will the Servicer be charging any recurring or non-recurring fees for services, such as paying taxes or obtaining lease approvals?	Servicing	Yes. Servicers have a range of fees that they charge for performing certain administrative services to assist borrowers in complying with their obligations under their loan documents. Contact your Servicer for a schedule of these fees.
16	Who do I call if I have questions on my loan terms?	Servicing	Contact your Servicer as identified in the welcome letter.
17	If I am late on my loan payment, can I get the late charge and default interest waived? Who do I call?	Servicing	If you are going to be late on a payment, you should contact your Servicer as identified in the welcome letter, as soon as practicable. Typically, late charges and default interest are not waived, but each situation is evaluated considering the terms of the loan documents and the factual situation. A late payment may also trigger additional requirements under the loan documents, such as the imposition of various escrows and a lockbox.
18	What is a springing lockbox?	Servicing	Some loan documents have trigger events which require the imposition of a lockbox (thus the

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19 What does it mean that my loan is subject to a cash management agreement under certain events?	Servicing	<p>lockbox "springs" into existence). Some trigger events might be the failure of a particular tenant to renew its lease, a default by the borrower under certain loan provisions (such as the requirement to make timely insurance premium payments or tax payments), or if the net income of the property falls below a certain level. If one of these triggers specified by the particular loan documents occurs, all tenant payments will thereafter be made to a specified account that is under control of the Lender. The Lender will release funds in accordance with the terms of the loan documents from the lockbox account after all debt service and escrow payments are met, and any other terms set forth in the loan documents are satisfied.</p> <p>The loan documents may state that under certain circumstances cash management provisions will be triggered. For example, it may be triggered upon a particular tenant lease expiration, or the income level of the property falling below a certain amount, or if a large tenant lease is going to expire in a short period of time and funds will be necessary to re-tenant the space. Once the trigger event occurs, all cash flow from the property will flow through an account that is jointly controlled by the borrower and the Lender and will be disbursed according to the terms of the loan documents. Usually funds will be used to pay monthly escrows, debt service and borrower expenses with the remainder disbursed to the borrower. In order: 1. tax and insurance, 2. debt service, and 3. other escrows. In some cases the remainder is retained in a Lender controlled escrow account as additional security for the loan). In some cases, the joint account will become a "lockbox" and then the borrower will have no access to the funds until the Lender</p>

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			releases the funds to the borrower in accordance with the terms of the loan documents.
20	How do I get copies of monthly statements?	Servicing	Contact your Servicer as identified in the welcome letter.
21	How do I get copies of annual statements and income tax statements?	Servicing	Contact your Servicer as identified in the welcome letter.
22	Can I set up automatic withdrawals from my account to pay the monthly payments on my loan?	Servicing	Yes. Automatic withdrawals are a great means of avoiding lost or misdirected payments. Servicers would be happy to work with you to set up automatic withdrawals. Contact your Servicer to discuss.
23	Why do I have to send frequent financial reports on my property? Can I get interim reporting requirements waived and just do it annually or quarterly?	Servicing	The Lender is required to report property performance on your loan to various investors. Since the loans are primarily non-recourse, it is important to the loan investors to understand how the underlying collateral is performing. In general, financial statement requirements will not be waived. Some loans require monthly reporting while others only require quarterly and/or annual reporting as required in the loan documents. It is a default on your loan if the statements are not delivered in a timely fashion. If your statements are going to be late, you should contact your Servicer as identified in the welcome letter, as soon as possible.
24	Why do I have to get my financial statements audited? It is very expensive.	Servicing	On larger loans, the loan documents often require that financial statements be audited and delivered to the Lender within a certain period of time after the new year commences. Since the Lender has made a large investment, it wants independent verification that the funds from the collateral are being handled properly and in accordance with the loan documents. While expensive, this provision is rarely waived.

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25	My Loan was split into several promissory notes. Can I get all the servicing combined on all the notes so I have one point of contact?	Servicing	When a loan is split into several promissory notes, each note may be sold to different parties who each have their own Servicer. Generally, there is a lead Servicer who will deal with most of the loan administration issues, but at times approvals will be required from various or all of the Servicers. Also, payoff statements may need to be provided by the different Servicers. Primary servicing will be one party, although there could be multiple Master Servicers.
26	Do I have to send all leases to the Servicer to get approved? What happens if I don't? How long does it take to approve?	Approvals/ Modifications	The loan documents will dictate whether or not the borrower is required to have the Lender approve proposed leases. In the case of a multi-tenant property, the loan documents may require the borrower to obtain approval on "major leases," or leases that represent a certain percent of the underlying income from the property. Your loan documents should address which leases the Lender must approve. The loan documents may specify a time period in which the Lender must respond to requests to approve leases. If Lender approval of major leases is required, but not obtained, the borrower would be in default under the loan documents.
27	If I do not get a lease pre-approved by the Lender, can I still get lease commissions and tenant improvement costs from the reserve?	Approvals/ Modifications	Your loan documents should contain the process for disbursement of the TILC reserve. If failure to obtain Lender's consent to a lease is a default under the loan documents, the loan documents may restrict use of the TILC reserve funds by the borrower. Contact your Servicer as identified in the welcome letter to discuss.
28	What criteria does the Lender use when approving a lease? What documentation will you need to approve?	Approvals/ Modifications	The criteria the Lender uses to approve a lease may or may not be set forth in your loan documents. Generally, they include the lease term (usually no less than 5 years), rental rate (is it at market; if not, why?), and quality of the

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29 If the Loan does not escrow for tenant improvement costs, will the Lender require me to put up the funds to pay these amounts as part of the lease approval?	Approvals/ Modifications	tenant (does it have other locations?, is it solvent?, does it have a senior unsecured credit rating?) The Lender may also determine if the income from the proposed tenant is sufficient to replace the income from the prior tenant of the space. If funded reserves for TI/LC were not required at loan origination, then the Lender may ask how the borrower intends to pay for such costs and, as a condition to lease approval, that the borrower place the costs into escrow.
30 The tenant wants an SNDA, Will the Lender give one? What does it cost? How long does it take to get a SNDA? Will there be any additional conditions?	Approvals/ Modifications	When a Lender gives a tenant a SNDA (Subordination Non-disturbance and Attornment Agreement), the Lender is entering into a contract with the tenant. Generally SNDAs will only be given to large credit tenants or tenants who are making a significant investment into their space in comparison to the value of the entire property. A SNDA is often highly negotiated, so the Lender may require payment of legal fees and processing fees. The Lender may require the borrower to put funds into escrow to cover the cost of tenant improvements and lease commissions or if the borrower's financial strength is good, alternatively, a guaranty for such costs from a principal of the borrower. These requirements arise, because the Lender is not obligated by the loan documents or otherwise to be the guarantor of the borrower's obligations under its leases. The Lender may also require that the SNDA delete objectionable provisions from the underlying lease (i.e., a covenant that the Lender not own a competing property in the vicinity of the property).
31 If I decide to make physical additions to the property or demolish an obsolete portion of	Approvals/ Modifications	Most loan documents do not permit the borrower to make structural modifications to the property

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the buildings on the property, do I need Lender consent? What information will the Lender need to make a decision? How long will it take to make a decision? Will I be charged a fee for the approval?

without the Lender's approval. Therefore, additions or demolition require the Lender's approval. The Lender will want to review all plans and specifications, market information, and permitting compliance and may require security to cover the costs of the addition or demolition. Guarantees of completion may also be required. Payment and performance bonds may also be required. At times the Lender may be restricted as to its ability to approve these requests by the IRS rules that govern REMIC trusts. Appraisals may be required. All of this can be a time-consuming process, and the Lender may charge processing fees, legal costs and consultant review costs.

32 I want to sell off a piece of my property that is not income producing. Can I do this? If so, will I have to give the proceeds to the Lender?

Approvals/
Modifications

Even if a portion of the property is not income producing, it is collateral for the loan and generally the borrower may not have that portion released from the loan unless the loan documents specify the terms for such release. The Lender may be required to release the parcel if your loan documents specify that the parcel is to be released and the terms for such release. In addition, the Lender may agree to release a parcel, if the full value of that parcel is paid into a Lender controlled escrow which will be held as collateral until the loan is paid off in full or if the parcel to be release has no real value. However, even if the borrower is willing to deposit the full value of the released parcel with the Lender or use same to pay down the loan, the Lender may be prohibited by the REMIC IRS rules from allowing the release. The Lender will generally want to determine if allowing the release will have any potential adverse effect on the remaining collateral (i.e., block access, or allow a directly competing property, or create potential environmental issues, etc.).

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33 One of the partners in the owner died. Am I now in default? What do I do?

Approvals/
Modifications

If one of the owners of the borrower dies, you should contact your Servicer as identified in the welcome letter. Some loan documents do state that the loan becomes due and payable upon the death of one of the owners. Other loan documents allow the estate of the deceased to hold the ownership interest until the estate is finalized. If the deceased owner was a guarantor of the loan, the Lender may require a new guarantor/indemnitor. If the borrower wants to replace that owner with a new owner, that may require the consent of the Lender under the terms of the loan documents. The Servicer will work with you to figure out what must occur to keep the loan from being in default, if possible.

34 I want to restructure the ownership of the borrower. What do I do?

Approvals/
Modifications

Your loan documents will determine if it is allowed. Contact your Servicer as identified in the welcome letter. Be prepared to present in writing the existing and proposed structure in detail (including all entities and individuals including percentages of ownership), and cite the applicable provisions in your loan documents.

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35 How do I get approval to sell my property and have my loan assumed? How long will it take? Who has to approve the transaction? What will it cost?	Approvals/ Modifications	Organizational charts will be very helpful to the Lender. Selling your property with the loan in place will require an assumption by the buyer. Review your loan documents to determine what is allowed and the specific terms and conditions for approval. Contact your Servicer as identified in the welcome letter. Which Servicer has to approve your request depends on the PSA, but your Servicer will direct you to the proper party. The entire process generally takes 30 to 60 days. The time often depends on your and your buyer's timely delivery of the materials requested by the Lender. There usually is at a minimum, a 1% assumption fee, legal fees, and possibly an application processing fee. The Lender will review the current operations of the property and the buyer's financial strength and structure.
36 Can my buyer get additional debt to complete the purchase of the property?	Approvals/ Modifications	The general answer to this question is no, unless your loan documents specifically allow additional debt. The buyer may have the option of paying off the first mortgage with a prepayment premium or through defeasance and can then seek a new larger loan.

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37	My property has increased in value so can I now get additional financing? Can I get a mezzanine loan? Can I do a preferred equity transaction to get additional debt?	Approvals/ Modifications	The general answer to this question is no, unless your loan documents specifically allow additional debt. Preferred equity investments with debtlike criteria (such as specific required periodic payments at an interest rate and call rights prior to first mortgage maturity or payoff) are considered additional debt and generally not permitted unless the loan documents specifically allow for such structures.
38	There are issues at my property and I cannot make debt payments. What should I do?	Approvals/ Modifications	Immediately inform your Servicer, in writing, of the issues affecting your ability to make all payments due under your loan.
39	I may have violated the single purpose entity requirements of my loan and want to know what do I do?	Approvals/ Modifications	Contact your Servicer as identified in the welcome letter and request approval of the action you have taken. Depending on the magnitude of what you have done, your request may be approved, but you may be liable for default interest or you may be required to reverse what you have done.
40	How do I get an earnout under my loan documents? What information will the Lender need? If I do not meet all the terms of the earnout, will the Lender work with me to modify the terms? What if I miss the date for an earnout? What happens? Can I get the date extended?	Approvals/ Modifications	Earnouts are negotiated with the originating lender prior to the original loan closing, and your loan documents will specify the conditions for the earnout. The Servicer will need all information necessary to evidence that the conditions for the earnout have been met (e.g., 95% occupancy rate achieved). If you have missed the earnout date, you probably will not be able to have the date extended.
41	An environmental issue has occurred at my property. What do I do?	Approvals/ Modifications	Immediately notify your Servicer as identified in the welcome letter, in writing, with the details of the environmental issue that has occurred. It is a good idea to propose a solution along with the notice.

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42	A casualty has occurred at my property and I need the insurance proceeds to fix the property. What do I do?	Approvals/ Modifications	Notify your Servicer as identified in the welcome letter of the occurrence. The Servicer will help you determine the steps to take in accordance with your loan documents. The extent of the casualty will generally determine how involved the Lender will get in the process. It is a good idea to review the tenant leases for the property to understand what remedies, if any, the tenants have during a casualty.
43	I plan to change my management company. What do I do?	Approvals/ Modifications	Contact your Servicer as identified in the welcome letter with your plan to change management companies. You will probably need to provide the Servicer with information on the new proposed management company, including a resume for the company and a copy of the new management agreement. The Servicer will want the new management company to sign a subordination of management agreement to replace the existing subordination.
45	Can I get modifications made to my loan terms?	Approvals/ Modifications	The Lender is subject to REMIC tax regulations which will limit the extent of modifications to which the Servicer can agree. Minor modification may be possible if the requested modification does not affect cash flow or significantly modify the terms of the loan. Special Servicers process modification requests.
46	Can I extend the maturity date?	Approvals/ Modifications	If your original loan documents included extension(s), then you may exercise your option under the original loan terms. Extension requests beyond scheduled maturity would generally be viewed as a potential default of the terms of the loan. The loan would be transferred to the Special Servicer for handling. Failure to pay the loan off in full at maturity is a default, triggering the Lender's right to exercise its remedies under the loan documents.

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47 Interest rates have gone down. Can I get my interest rate changed?	Approvals/ Modifications	Floating rate loans adjust automatically; however, a fixed rate loan cannot be changed. You may, however, be able to defease or payoff and refinance your loan if you are outside the respective lockout periods.
48 I received a notice that all or a part of my property is being condemned by the government. What do I do?		This should be addressed in your loan documents. Immediately notify the Servicer identified in the welcome letter. Be prepared to provide the Servicer with all notices received.
49 Insurance costs have skyrocketed. Will the Lender work with me and allow less insurance that the loan documents require?	Insurance	The Lender will generally not waive insurance requirements in the loan documents. The loan was made on a non-recourse basis with the criteria that there would be a minimal insurance deductible and no risk of loss due to situations that can be covered by insurance. While insurance rates may rise and fall over the term of the loan, the Borrower is required to obtain all coverage's, even if it is expensive. If coverage is not obtained, the loan will be in default and the Lender is permitted to obtain coverage to protect The Lender at the Borrower's cost.
50 I cannot get insurance at a reasonable cost with the rated carriers required under the loan documents. Will the Lender consider a lower rated insurance company?	Insurance	Check with your Servicer identified in the welcome letter. At times the Servicer may find a lower rated insurance company acceptable on a short term, e.g., one year, basis.

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51	Will the Lender accept a blanket policy for insurance?	Insurance	Check with your Servicer identified in the welcome letter. At times blanket coverage may be acceptable, provided the Lender deems that it will be adequately protected if there is a loss at the property.
52	Do I need to get flood insurance? If so, do I need to get more than the Federal policy limits?	Insurance	Check your loan documents. If your property is in a flood zone, it is likely that your loan documents require flood insurance. FEMA changes the flood zones periodically, so you may not have needed flood insurance at loan origination, but you may need it at another point in time. Your loan documents will state if you need to get full replacement cost flood insurance, or only the limits offered under the Federal program.
53	How do I refinance my Loan?	Payoff	Call your mortgage broker or banker. It will be able to assist you with identifying new potential lenders.
54	How to I get a loan extension until my refinance closes? Will it cost me anything?	Payoff	If the borrower did not take advantage of the open prepayment window towards the end of the loan term and must payoff after the maturity date of the loan, the borrower should contact the Lender immediately to request an extension in writing. If the Lender agrees to an extension (which it is not obligated to do), there will most likely be an extension fee (and/or default interest/late fee).
55	How do I get a payoff quote?	Payoff	Call your Servicer. It can provide a written payoff statement, including prepayment penalties, if any.

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56	<p>What is defeasance? What are the fees and costs involved? Why is it so expensive? Why do I have to use US government obligations to payoff my loan? How do I get an estimate of the cost to defease?</p>	Payoff	<p>Defeasance replaces the real estate collateral for your loan with US securities as defined in the note. The cash flow from the securities is used to pay down the debt per original terms including payoff at maturity. The expenses for defeasance are comprised of two parts; one is the cost of obtaining the securities, and the second are third-party fees associated with analytical, legal and administrative work in evaluating and completing the transaction. While it may appear to be expensive, the largest component is a function of the spread between the interest rate of the loan and the current yield on the securities. Third-party fees tend to be the smaller component and are usually fixed. The requirement of US government securities is associated with the non-callable feature and REMIC restrictions. There are several firms that specialize in identifying the securities that will match your cash flow and maturity needs as well as pricing and obtaining the securities, legal opinion and closing on the transaction.</p>
57	<p>How is a prepayment premium calculated? Can I get that charge waived?</p>	Payoff	<p>Prepayment premium is the difference between the unpaid principal balance of the loan at the date of prepayment and the present value of the obligated cash flows for the loan until maturity. It is a calculation intended to provide the Lender an equivalent yield based on reinvestment at US Treasury rates to a similar maturity. The present value of the loan is calculated by using all installment payments (including a balloon payment if applicable) discounted at the reinvestment yield for the number of months remaining from the date of prepayment to maturity. The amount of the prepayment proceeds is subtracted from the loan balance as of the date of prepayment and the difference is the premium or sometimes called the prepayment penalty. You cannot get the charge waived.</p>

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58 When I prepay the loan, why do I have to pay interest through the next regular payment date?	Payoff	Interest is paid until the next scheduled payment date in order to provide a full month's interest to investors. Otherwise, there would be an interest shortfall of the "scheduled" amount that is expected to be received. It should be noted that investors are only paid once a month.
59 My loan says I cannot payoff or defease until a certain date or expiration of a lockout period. Can I get that date moved up to an earlier date?	Payoff	No. Early payoff or defeasance is governed by your loan documents, the PSA and REMIC regulations.
60 What is the difference between a prepayment premium and prepayment penalty?	Payoff	None. The terms are often used interchangeably. You can view it as the Lender gets a premium and the borrower pays a penalty.
61 Can I make partial paydowns of the Loan?	Payoff	This is governed by your loan documents. Generally, the answer is no. Voluntary partial principal prepayments on fixed rate loans are not allowed, except in certain instances for condemnation actions or application of insurance proceeds due to loss. Often, prepayment premiums are due even on those allowed prepayments. Multi-property loans more often allow for partial prepayment/defeasance.