Presale Report

Arbor Realty Commercial Real Estate Notes 2021-FL1, Ltd.

DBRS Morningstar
February 17, 2021

Andres Eloisa
Vice President, North American CMBS
+1 312 332-9456
andres.eloisa@dbrsmorningstar.com

John Amman
Senior Vice President, North American CMBS
+1 312 332-9442
john.amman@dbrsmorningstar.com

Kevin Mammoser
Managing Director, North American CMBS
+1 312 332-0136
kevin.mammoser@dbrsmorningstar.com

Erin Stafford
Managing Director, Global Structured Finance
+1 312 332-3291
erin.stafford@dbrsmorningstar.com

DBRS Morningstar Viewpoint
Click here to see this deal.

DBRS Morningstar Viewpoint is an interactive, data-driven, loan and property level platform that provides users with access to DBRS Morningstar presale reports, surveillance updates, transaction information, and contextual comparable data in a user-friendly manner. Complimentary registration and access to the transaction is available.

Capital Structure

Description	Rating Action	Balance ($)	Subordination (%)	DBRS Morningstar Rating	Trend
Class A	New Rating - Provisional	447,450,000	43.000	AAA (sf)	Stable
Class A-S	New Rating - Provisional	51,025,000	36.500	AAA (sf)	Stable
Class B	New Rating - Provisional	36,306,000	31.875	AA (low) (sf)	Stable
Class C	New Rating - Provisional	45,137,000	26.125	A (low) (sf)	Stable
Class D	New Rating - Provisional	56,913,000	18.875	BBB (sf)	Stable
Class E	New Rating - Provisional	18,644,000	16.500	BBB (low) (sf)	Stable
Class F	New Rating - Provisional	42,193,000	11.125	BB (low) (sf)	Stable
Class G	New Rating - Provisional	26,494,000	7.750	B (low) (sf)	Stable
Preferred Shares	NR	60,838,000	--	NR	--

Table of Contents

Transaction Summary

Trust Amount ($)	635,197,008.97	**Participated Loan Commitment Amount ($)**	1,223,721,837
Number of Loans	37	**Average Loan Size ($)**	17,167,487
Number of Properties	64	**Top 10 Loan Concentration (%)**	55.4
Managed/Static	Managed	**Unfunded Companion Participation Amount ($)**	12,402,260
Preidentified Ramp Loans	N	**Replenishment Allowed**	Y
Class (E) OC Trigger (%)	118.76	**Reinvestment Period (months)**[5]	30
Initial Class (E) OC Test (%)	119.76	**IC Ratio: Trigger (x)**	1.20
Wtd. Avg. Current Funded As-Is Appraised Issuance LTV (%)	72.5	**Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)**	79.4
Wtd. Avg. Current Funded Stabilized Appraised LTV (%)	51.1	**Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)**	73.5
Wtd. Avg. Interest Rate Margin (%)	3.73	**DBRS Morningstar Wtd. Avg. Interest Rate**[4] **(%)**	4.75
Wtd. Avg. Remaining Term (months)[1]	20.3	**Wtd. Avg. Remaining Term - Fully Extended (months)**	40.3
Wtd. Avg. DBRS Morningstar As-Is DSCR (x)[2]	0.98	**Wtd. Avg. Issuer As-Is DSCR (x)**[4]	1.23
Wtd. Avg. DBRS Morningstar Stabilized DSCR (x)[3]	1.26	**Wtd. Avg. Issuer Stabilized DSCR (x)**[4]	1.48
Avg. DBRS Morningstar As-Is NCF Variance[2] **(%)**	-13.6	**Avg. DBRS Morningstar Stabilized NCF Variance (%)**[3]	-15.1

Note: All DBRS Morningstar DSCR and LTV calculations in this table and throughout the report are based on the DBRS Morningstar Stressed Interest Rate and the fully funded and extended mortgage loan commitment. The WA metrics presented in the table and the report exclude DBRS Morningstar's ramp loan assumptions, if applicable.

1 Assumes that the initial term to maturity of each loan is not extended.

2 Based on the DBRS Morningstar As-Is NCF.

3 Based on the DBRS Morningstar Stabilized NCF.

4 The interest rate assumes 0.120% one-month Libor stress based on the Libor strike rate of the interest rate cap, which is lower than the stressed rate from the DBRS Morningstar *Interest Rate Stresses for U.S. Structured Finance Transactions* methodology. All DBRS Morningstar DSCR figures are based on this stressed rate.

5 The reinvestment period begins on the date of the deposit of Permitted Principal Proceeds and ends after the payment date in September 2023.

Eligibility Criteria Concentration Parameters

Issuer Property Type	**Issuance (%)**	**Limit (%)**
Office	0.0	0.0
Industrial	0.0	0.0
Retail	0.0	0.0
Mixed-Use	0.0	0.0
Hospitality	0.0	0.0
Self-Storage	0.0	0.0
Multifamily - Student Housing	0.0	0.0
Multifamily	100.0	100.0
Manufactured Housing	0.0	0.0

State Concentration	**Issuance (%)**	**Limit (%)**[1]
Texas	30.2	40.0
Georgia	21.8	40.0
Connecticut	8.8	40.0
All Other States	39.3	40.0

1 Aggregate collateral balance in any one state cannot be greater than 40.0% of the pool balance.

Issuer	Arbor Realty Commercial Real Estate Notes 2021-FL1, Ltd.
Co-Issuer	Arbor Realty Commercial Real Estate Notes 2021-FL1, LLC
Mortgage Loan Seller	Arbor Realty SR, Inc.
Servicer	Arbor Multifamily Lending, LLC
Special Servicer	Arbor Multifamily Lending, LLC
Collateral Manager	Arbor Realty Collateral Management, LLC
Custodian/Trustee	U.S. Bank National Association
Placement Agent	J.P. Morgan Securities LLC
Structuring Agent	J.P. Morgan Securities LLC
Advancing Agent	Arbor Realty SR, Inc.

Coronavirus Disease (COVID-19) Overview

With regard to the coronavirus pandemic, the magnitude and extent of performance stress posed to global structured finance transactions remain highly uncertain. This considers the fiscal and monetary policy measures and statutory law changes that have already been implemented or will be implemented to soften the impact of the crisis on global economies. Some regions, jurisdictions, and asset classes are, however, feeling more immediate effects. Accordingly, DBRS Morningstar may apply additional short-term stresses to its rating analysis. For example, DBRS Morningstar may front-load default expectations and/or assess the liquidity position of a structured finance transaction with more stressful operational risk and/or cash flow timing considerations.

For more information regarding rating methodologies and the coronavirus, please see the following DBRS Morningstar press releases: https://www.dbrsmorningstar.com/research/357883 and https://www.dbrsmorningstar.com/research/358308.

Rating Considerations

The initial collateral consists of 37 floating-rate mortgage loans and senior participations secured by 64 mostly transitional properties, with an initial cut-off date balance totaling $635.2 million, which includes approximately $12.4 million of non-interest-accruing future funding that the Issuer will acquire at closing. Each collateral interest is secured by a mortgage on a multifamily property. The transaction is a managed vehicle, which includes an 180-day ramp-up acquisition period and 30-month reinvestment period. The ramp-up acquisition period will be used to increase the trust balance by $149.8 million to a total target collateral principal balance of $785.0 million. DBRS Morningstar assessed the $149.8 million ramp component using a conservative pool construct, and, as a result, the ramp loans have expected losses above the pool WA loan expected loss. During the reinvestment period, so long as the note protection tests are satisfied and no event of default has occurred and is continuing, the collateral manager may direct the reinvestment of principal proceeds to acquire reinvestment collateral interest, including funded companion participations, meeting the eligibility criteria. The eligibility criteria, among other things, has minimum DSCR, LTV, and loan size limitations. In addition, only mortgages secured by multifamily properties are allowed. Lastly, the eligibility criteria stipulates a rating agency confirmation (RAC) on ramp loans, reinvestment loans, and pari passu participation acquisitions above $1.0 million if a portion of the underlying loan is already included in the pool, thereby allowing DBRS Morningstar the ability to review the new collateral interest and any potential impacts to the overall ratings.

For the floating-rate loans, DBRS Morningstar used the one-month Libor index, which is based on the lower of a DBRS Morningstar stressed rate that corresponded to the remaining fully extended term of the loans or the strike price of the interest rate cap with the respective contractual loan spread added to determine a stressed interest rate over the loan term. When the cut-off balances were measured against the DBRS Morningstar As-Is NCF, 16 loans, representing 47.1% of the initial pool balance, had a DBRS Morningstar As-Is DSCR of 1.00x or below, a threshold indicative of default risk. Additionally, the DBRS Morningstar Stabilized DSCR of four loans, representing 14.2% of the initial pool balance, are below 1.00x, which is indicative of elevated refinance risk. The properties are often transitioning with potential upside in cash flow; however, DBRS Morningstar does not give full credit to the stabilization if there are no holdbacks or if other loan structural features in place are insufficient to support such treatment. Furthermore, even with the structure provided, DBRS Morningstar generally does not assume the assets will stabilize to above-market levels.

The transaction will have a sequential-pay structure.

Strengths

- **Sponsor** – The sponsor for the transaction, Arbor Realty SR, Inc., is a majority-owned subsidiary of Arbor Realty Trust, Inc. (Arbor; NYSE: ABR) and an experienced commercial real estate (CRE) collateralized loan obligation (CLO) issuer and collateral manager. The ARCREN 2021-FL1 transaction will be Arbor's 14th post-crisis CRE CLO securitization, and the firm has five outstanding transactions representing approximately $2 billion in investment-grade proceeds. Additionally, Arbor will purchase and retain 100.0% of the Class F Notes, the Class G Notes, and the Preferred Shares, which total $129,525,000, or 16.5% of the transaction total.
- **100.0% Multifamily Pool** – Throughout the term of the transaction, only multifamily loans are permitted. Multifamily properties benefit from staggered lease rollover and generally low expense ratios compared with other property types. While revenue is quick to decline in a downturn because of the short-term nature of the leases, it is also quick to respond when the market improves. The subject pool includes garden-style communities and mid-rise/high-rise buildings, and the eligibility criteria does not permit the collateral manager to purchase other types of commercial mortgage assets.
- **Acquisition Financing** – Twenty-six loans, representing 71.1% of the pool balance, represent acquisition financing. Acquisition financing generally requires the respective sponsor(s) to contribute material cash equity as a source of funding in conjunction with the mortgage loan, resulting in a higher sponsor cost basis in the underlying collateral and aligns the financial interests between the sponsor and lender.
- **Diversity** – The initial collateral pool is diversified across 11 states and has a loan Herfindahl score of approximately 24.5. The loan Herfindahl score is similar to recent ARCREN CRE CLO transactions. Three of the loans, representing 14.2% of the initial pool balance, are portfolio loans that benefit from multiple property pooling. Mortgages backed by cross-collateralized cash flow streams from multiple properties typically exhibit lower cash flow volatility.
- **Business Plan Score** – The business plan score for loans DBRS Morningstar analyzed was between 1.38 and 2.28, with an average of 1.86. Higher DBRS Morningstar business plan scores indicate more risk in the sponsor's business plan. DBRS Morningstar considers the anticipated lift at the property from current performance, planned property improvements, sponsor experience, projected time horizon, and

overall complexity of the business plan. Compared with similar transactions, the subject has a low average business plan score, which is indicative of lower risk.

- **Physical Condition** – The loan collateral was generally found to be in good physical condition as evidenced by the two loans (9.1% of the trust balance) secured by properties that DBRS Morningstar deemed to be Excellent in quality. An additional four loans, representing 22.8% of the trust balance, are secured by properties with Above Average quality. Furthermore, only two loans are backed by properties that DBRS Morningstar considered to be Average - quality, representing just 4.7% of the trust balance, and no collateral was classified as Below Average or Poor quality.

Challenges & Considerations

- **Pandemic** – The ongoing coronavirus pandemic continues to pose challenges and risks to the commercial real estate sector, and while DBRS Morningstar expects multifamily to fare better than most other property types, the long-term effects on the general economy and consumer sentiment are still unclear.
    - *Mitigant*: Arbor provided coronavirus and business plan updates for all loans in the pool, confirming that all debt service payments have been received in full through January 2021. Furthermore, no loans are in forbearance or other debt service relief, and only two modifications were requested, Falls of Braeburn (#21; 1.6% of the pool balance) and The Fountains Apartments (#31; 0.9% of the pool balance). However, these modifications were in response to the loans' approaching maturity.
    - *Mitigant*: Eighteen loans, totaling 66.0% of the trust balance, represent loans originated after March 2020, or the beginning of the pandemic. Loans originated after the pandemic include timely property performance reports and recently completed third-party reports, including appraisals.
    - *Mitigant*: Given the uncertainty and elevated execution risk stemming from the coronavirus pandemic, 26 loans, totaling 64.6% of the trust balance, have substantial upfront interest reserves, some of which are expected to cover six months or more of interest shortfalls. For example, the Windham Chase Apartments loan (#11; 3.5% of the trust balance) has a $1.2 million interest reserve that equals 12 months of debt service. Similarly, The Eddy at Riverview Landing loan (#7; 5.4% of the trust balance) has an interest reserve of nearly $2 million, equivalent to nine months of debt service payments.
- **Managed Transaction** – The transaction is managed and includes both a ramp-up and reinvestment period, which could result in negative credit migration and/or an increased concentration profile over the life of the transaction.
    - *Mitigant*: The deal is 100.0% multifamily, and non-multifamily loans are not allowed through the ramp-up or reinvestment period. Furthermore, future loans cannot be secured by student housing or healthcare type facilities such as assisted living and memory care.
    - *Mitigant*: The risk of negative credit migration is also partially offset by eligibility criteria that outline DSCR, LTV, property type, and loan size limitations for ramp and reinvestment assets.
    - *Mitigant*: DBRS Morningstar has RAC on new ramp loans, companion participations above $1.0 million, and reinvestment loans. DBRS Morningstar reviews these loans before they come into the pool to assess any potential ratings impact.

    - *Mitigant*: DBRS Morningstar accounted for the uncertainty introduced by the 180-day ramp-up period by running a ramp scenario that simulates the potential negative credit migration in the transaction based on the eligibility criteria.
- **Transitional Properties** – DBRS Morningstar has analyzed the loans to a stabilized cash flow that is, in some instances, above the in-place cash flow. It is possible that the sponsors will not successfully execute their business plans and that the higher stabilized cash flow will not materialize during the loan term, particularly with the ongoing coronavirus pandemic and its impact on the overall economy. A sponsor's failure to execute the business plan could result in a term default or the inability to refinance the fully funded loan balance.
    - *Mitigant*: DBRS Morningstar made relatively conservative stabilization assumptions and, in each instance, considered the business plan to be rational and the loan structure to be sufficient to execute such plans. In addition, DBRS Morningstar analyzes LGD based on its As-Is LTV, assuming the loan is fully funded.
    - *Mitigant*: Twenty-nine loans in the subject pool came through a prior transaction monitored by DBRS Morningstar. For those loans, DBRS Morningstar was able to leverage its prior analysis of the loans.
- **High Leverage** – Six loans, representing 26.2% of the trust balance, have DBRS Morningstar Stabilized LTVs equal to or greater than 80.0%, which significantly increases refinance risk at maturity. Four of these loans are in the top 10 largest loans in the pool, including Commuter Portfolio (#3), The Kathryn at Grand Park (#4), The Maxwell at Grand Park (#5), and Peppertree Apartments (#10).
    - *Mitigant*: All six loans were originated in 2020 and 2021 and have sufficient time to reach stabilization. Additionally, half of the loans (72.1% of the allocated loan balance) are acquisition financing, with the sponsor contributing a considerable amount of cash equity at closing.
    - *Mitigant*: These six loans have a WA expected loss of 8.3% (ranging from 5.8% to 10.4%), which is nearly 125 basis points higher than the WA expected loss of 7.1% for the deal.
    - *Mitigant*: The largest of these six loans, Commuter Portfolio (6.3% of the trust balance), is secured by a granular portfolio of 24 multifamily properties in New Jersey. The loan benefits from favorable diversification, with a WA Market Rank of 5 and MSA Group 3, resulting in a favorable expected loss below the deal average
- **Full-Term IO** – All loans in the pool have floating interest rates and are IO during the initial loan term, as well as during all extension terms, creating interest rate risk.
    - *Mitigant*: For the floating-rate loans, DBRS Morningstar used the one-month Libor index, which is based on the lower of a DBRS Morningstar stressed rate that corresponded to the remaining fully extended term of the loans or the strike price of the interest rate cap with the respective contractual loan spread added to determine a stressed interest rate over the loan term. Additionally, all loans have extension options, and to qualify for these options, the loans must meet minimum DSCR and LTV requirements.
    - *Mitigant*: All loans are short term and, even with extension options, have a fully extended loan term of five years maximum.

- *Mitigant*: The borrowers for five loans, totaling 17.7% of the trust balance, have purchased Libor rate caps that range between 1.25% and 3.50% to protect against rising interest rates over the term of the loan.

DBRS Morningstar Credit Characteristics

	DBRS Morningstar As-Is DSCR (x)		**DBRS Morningstar Stabilized DSCR (x)**
DSCR	% of the Pool (Senior Note Balance)[1]	DSCR	% of the Pool (Senior Note Balance)[1]
0.00x-0.50x	14.70	0.00x-0.50x	0.00
0.50x-0.75x	15.77	0.50x-0.75x	0.00
0.75x-1.00x	16.60	0.75x-1.00x	14.21
1.00x-1.25x	30.62	1.00x-1.25x	45.86
1.25x-1.50x	18.78	1.25x-1.50x	23.09
1.50x-1.75x	0.00	1.50x-1.75x	14.14
>1.75x	3.53	>1.75x	2.69
Wtd. Avg. (x)	0.98	Wtd. Avg. (x)	1.26

	DBRS Morningstar As-Is Issuance LTV		**DBRS Morningstar Stabilized Balloon LTV**
LTV	% of the Pool (Senior Note Balance)[1]	LTV	% of the Pool (Senior Note Balance)[1,2]
0.0%-50.0%	0.0	0.0%-50.0%	0.8
50.0%-60.0%	2.2	50.0%-60.0%	5.7
60.0%-70.0%	13.3	60.0%-70.0%	22.9
70.0%-80.0%	29.5	70.0%-80.0%	44.5
80.0%-90.0%	53.0	80.0%-90.0%	26.2
90.0%-100.0%	1.5	90.0%-100.0%	0.0
100.0%-110.0%	0.6	100.0%-110.0%	0.0
110.0%-125.0%	0.0	110.0%-125.0%	0.0
>125.0%	0.0	>125.0%	0.0
Wtd. Avg. (%)	79.4	Wtd. Avg. (%)	73.5

1 Includes pari passu debt, but excludes subordinate debt.
2 The senior note balloon balance assumes the DBRS Morningstar Stressed Interest Rate and the fully extended loan term.

Largest Loan Summary

Loan Detail

Loan Name	Trust Balance ($)	% of Pool	DBRS Morningstar Shadow Rating	DBRS Morningstar As-Is DSCR (x)	DBRS Morningstar Stabilized DSCR (x)	DBRS Morningstar As-Is LTV (%)	DBRS Morningstar Stabilized Morningstar LTV (%)
Lynchburg Portfolio	41,000,000	6.5	n/a	1.01	1.08	82.2	77.8
Aliro Apartments	40,000,000	6.3	n/a	0.74	0.99	88.6	71.1
Commuter Portfolio	40,000,000	6.3	n/a	1.31	1.31	83.7	83.7
The Kathryn at Grand Park	40,000,000	6.3	n/a	1.24	1.24	85.4	85.4
The Maxwell at Grand Park	40,000,000	6.3	n/a	0.95	0.95	86.8	86.7
Preston Hollow II	37,500,000	5.9	n/a	1.00	1.07	74.8	67.5
The Eddy at Riverview Landing	34,550,000	5.4	n/a	0.16	1.15	77.4	77.4
Bellemeade Apartments	30,000,000	4.7	n/a	0.61	1.20	71.9	70.4
Forest Place Apartments	28,250,000	4.4	n/a	1.38	1.51	87.7	75.1
Peppertree Apartments	20,707,500	3.3	n/a	1.09	1.14	86.8	80.3

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
Lynchburg Portfolio	Multifamily	Various	VA	Various	591	69,374	591
Aliro Apartments	Multifamily	North Miami	FL	1975	869	46,030	3,150
Commuter Portfolio	Multifamily	Various	NJ	Various	702	56,980	1,421
The Kathryn at Grand Park	Multifamily	Frisco	TX	2016	365	109,589	659
The Maxwell at Grand Park	Multifamily	Frisco	TX	2018	325	123,077	553
Preston Hollow II	Multifamily	Dallas	TX	2015-2018	526	71,293	2,139
The Eddy at Riverview Landing	Multifamily	Smyrna	GA	2020	310	111,452	489
Bellemeade Apartments	Multifamily	Greensboro	NC	2019	289	103,806	472
Forest Place Apartments	Multifamily	Little Rock	AR	1977	256	110,352	256
Peppertree Apartments	Multifamily	Groton	CT	1975	205	101,012	220

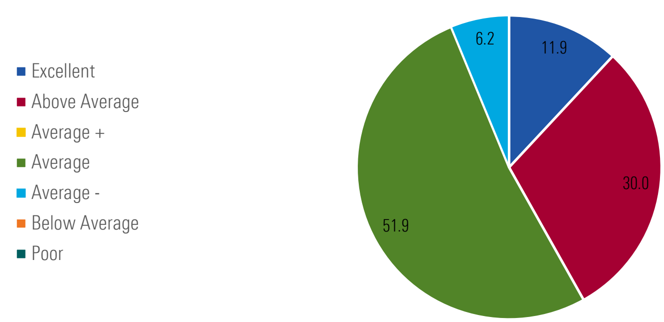
DBRS Morningstar Sample

Prospectus ID	Loan Name	% of Pool	DBRS Morningstar Stabilized NCF ($)	DBRS Morningstar Stabilized NCF Variance (%)	DBRS Morningstar Major Variance Drivers	DBRS Morningstar Property Quality
1	Lynchburg Portfolio	6.5	2,261,960	-22.7	GPR; Operating Expenses	Average
2	Aliro Apartments	6.3	7,915,276	-18.8	GPR; Concessions	Average
3	Commuter Portfolio	6.3	4,506,009	-8.1	Operating Expenses	Average
4	The Kathryn at Grand Park	6.3	3,355,135	-11.8	Operating Expenses	Above Average
5	The Maxwell at Grand Park	6.3	2,426,933	-31.3	Operating Expenses; Vacancy	Above Average
6	Preston Hollow II	5.9	6,778,246	-27.8	Operating Expenses; GPR; Vacancy	Excellent
7	The Eddy at Riverview Landing	5.4	2,987,799	-14.0	GPR; Real Estate Taxes; Vacancy	Above Average
8	Bellemeade Apartments	4.7	3,515,472	-3.8	Vacancy	Above Average
9	Forest Place Apartments	4.4	1,771,761	-12.7	Other Income; Operating Expenses	Average
10	Peppertree Apartments	3.3	1,399,638	-13.9	GPR; Operating Expenses	Average
11	Windham Chase Apartments	3.5	1,608,863	-10.5	GPR; Operating Expenses; Vacancy	Average -
12	30 Morningside Drive	3.1	9,890,245	-8.1	Vacancy	Excellent
13	Silvertree Apartments	3.0	1,344,270	-17.5	GPR; Operating Expenses	Average
14	Carrington Park	2.7	2,179,946	-1.7	Minimal Variance	Average
15	Park on Candler	2.7	1,343,851	-12.7	GPR; Operating Expenses	Average
20	Ashlar Townhomes	1.6	1,885,671	-12.7	Operating Expenses; Other Income; Management Fee	Average
24	Arlay Point Apartments	1.7	4,609,380	-3.9	Operating Expenses	Average
27	Crossings at Allen Square	1.2	530,741	-10.1	Operating Expenses; Vacancy	Average -
31	The Fountains Apartments	0.9	295,300	-44.0	Vacancy; Operating Expenses; Concessions	Average

DBRS Morningstar Site Inspections

DBRS Morningstar sampled 19 of the 37 loans in the pool, representing 76.0% of the pool by allocated cut-off date loan balance. DBRS Morningstar met with the on-site property manager, leasing agent, or representative of the borrowing entity for 13 of the 64 properties in the pool, representing 57.7% of the pool balance. The resulting DBRS Morningstar property quality scores are highlighted in the chart below.

DBRS Morningstar Sampled Property Quality (%)



Source: DBRS Morningstar.

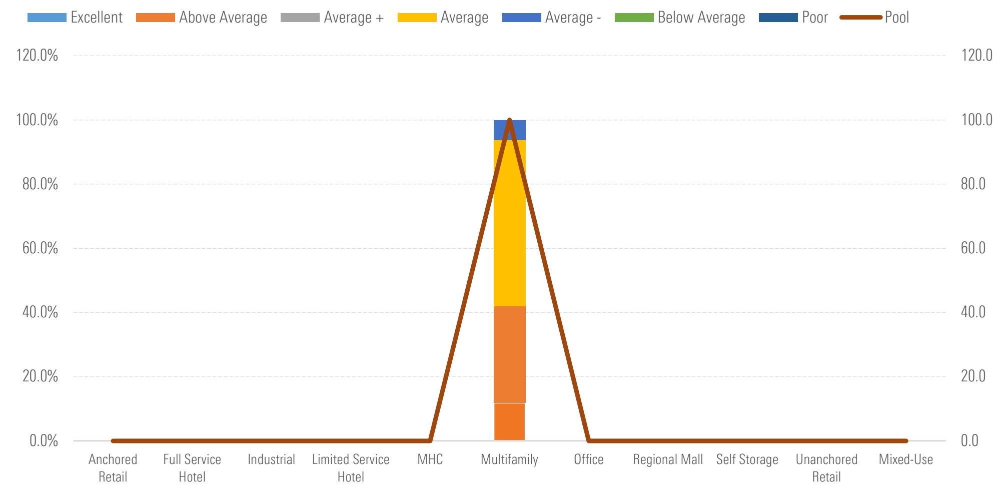
DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and a cash flow stability and structural review for 19 of the 37 loans, representing 76.0% of the pool by loan balance. For the loans not subject to an NCF review, DBRS Morningstar applied an NCF variance of -13.6% and -15.1% to the Issuer's As-Is and Stabilized NCFs, respectively, which reflect the average sampled NCF variances (excluding certain positive variances from the DBRS Morningstar As-Is NCF analysis).

As-Is NCF

DBRS Morningstar based its As-Is NCF on the current performance of the property, without giving any credit to future upside that may be realized upon the sponsors' completion of their business plans. The DBRS Morningstar As-Is NCF scenario also assumes that the loan is fully funded, with any allowable future funds increasing the overall leverage. In some cases, property cash flows may be insufficient to cover the fully loaded debt service. In these cases, modeled POD and LGDs may be elevated. The DBRS Morningstar As-Is sample had an average in-place NCF variance of -13.6% from the Issuer's NCF and ranged from -1.0% to -33.2%, excluding six loans with positive variances: Lynchburg Portfolio, The Eddy at Riverview Landing, Bellemeade Apartments, Forest Place Apartments, Park on Candler, and Ashlar Townhomes. These loans resulted in positive variances because DBRS Morningstar incorporated the most recent rent rolls and financial statements, which in some cases showed an improvement in performance and occupancy since origination. The DBRS Morningstar As-Is NCFs resulted in higher haircuts relative to most CRE CLO transactions.

DBRS Morningstar Sampled Property Type



Source: DBRS Morningstar.

Stabilized NCF

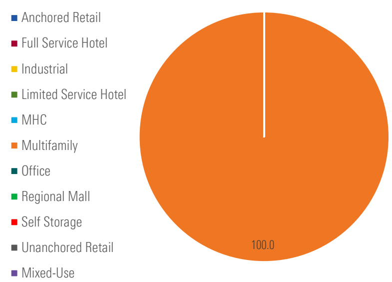
The DBRS Morningstar Stabilized NCF assumed the properties stabilized at market rents and/or recently executed leases and market expenses that DBRS Morningstar believed were reasonably achievable based on the sponsor's business plan and structural features of the respective loan. This often involved assuming higher-than-in-place rental rates for multifamily properties based on significant ongoing renovations, with rents already achieved on renovated units providing the best guidance on market rent upon renovation. The DBRS Morningstar sample had an average DBRS Morningstar Stabilized NCF variance of -15.1% from the Issuer's Stabilized NCF and ranged from -1.7% to -44.0%. DBRS Morningstar did not deem any of the variances to be outliers. The DBRS Morningstar Stabilized NCFs resulted in lower haircuts relative to most CRE CLO transactions.

Model Adjustments

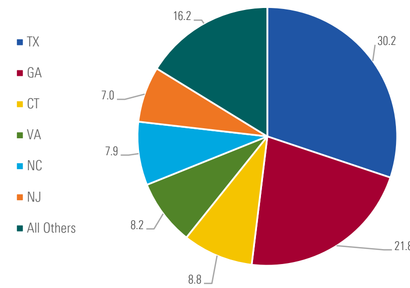
DBRS Morningstar increased the capitalization rates (cap rates) for 10 loans, including The Kathryn at Grand Park (#4), The Maxwell at Grand Park (#5), The Eddy at Riverview Landing (#7), Bellemeade Apartments (#8), 30 Morningside Drive (#12), Carrington Park (#14), Tryon Forest Apartments (#19), Falls of Braeburn (#21), The Sage Point Apartments (#23), and The Fountains Apartments (#31), totaling a combined 34.3% of the cut-off date pool balance. DBRS Morningstar adjusted the cap rates for these 10 loans to reflect its view of the respective markets and the inherent risk associated with the sponsors' business plans.

Transaction Concentrations

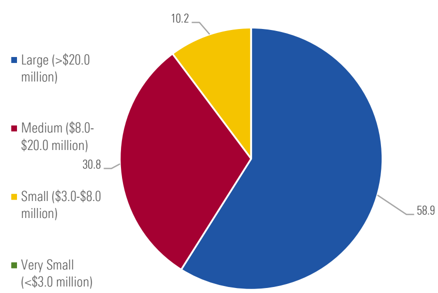
DBRS Morningstar Property Type (%)



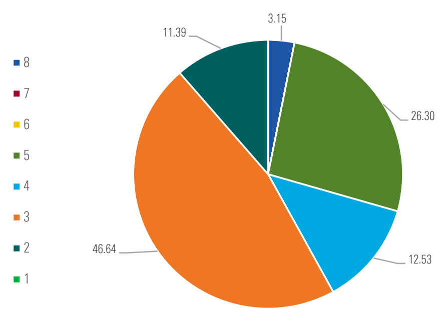
Geography (%)



Loan Size (%)

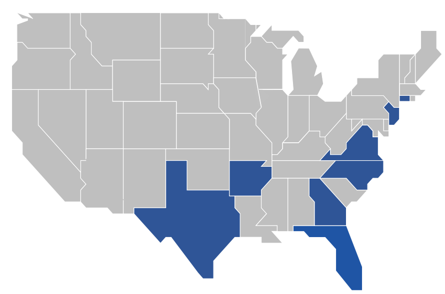


DBRS Morningstar Market Types (%)



Largest Property Location

Property Name	City	State
Lynchburg Portfolio	Various	VA
Aliro Apartments	North Miami	FL
Commuter Portfolio	Various	NJ
The Kathryn at Grand Park	Frisco	TX
The Maxwell at Grand Park	Frisco	TX
Preston Hollow II	Dallas	TX
The Eddy at Riverview Landing	Smyrna	GA
Bellemeade Apartments	Greensboro	NC
Forest Place Apartments	Little Rock	AR
Peppertree Apartments	Groton	CT



Source: DBRS Morningstar.

Loan Structural Features

Loan Terms: All of the loans are IO during the fully extended loan term. Original loan terms for all loans range from 12 months to 48 months. All loans have one to three extension options, with each option ranging from six months to 12 months in duration.

Interest Rate: The rate is based on the greater of the floating rate referencing one-month U.S.-dollar Libor as the index plus the margin or the interest rate floor for all of the loans.

Interest Rate Protection: Five of the floating-rate loans in the initial pool have purchased interest rate caps to protect against rising interest rates over the term of the loan. If the DBRS Morningstar stressed interest rate is less than the interest rate cap purchased by the borrower, DBRS Morningstar would default to the lower of the DBRS Morningstar stressed interest rate.

Additional Debt: None of the loans have additional debt in the form of mezzanine or subordinate loans.

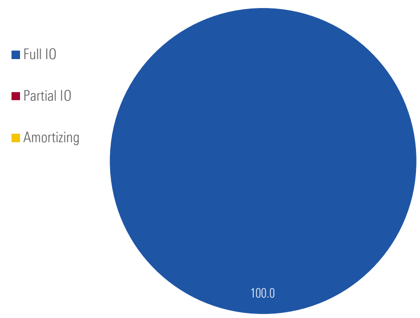
Future Funding: There are seven loans, representing 14.9% of the initial pool balance, that have some form of holdback or future funding component. The aggregate amount of future funding remaining is $12.4 million, with future funding amounts per loan ranging from $909,000 to $2.5 million. The proceeds necessary to fulfill the future funding obligations will primarily be drawn from non-interest-accruing funds held inside the trust. The future funding is generally for property renovations and leasing costs. Each property has a business plan to execute that is likely to increase NCF. DBRS Morningstar believes that the business plans were generally achievable, given market conditions, recent property performance, and adequate available future funding (or upfront reserves) for planned renovations and leasing costs.

Leasehold: All loans in the initial pool are secured by the borrower's fee-simple interest.

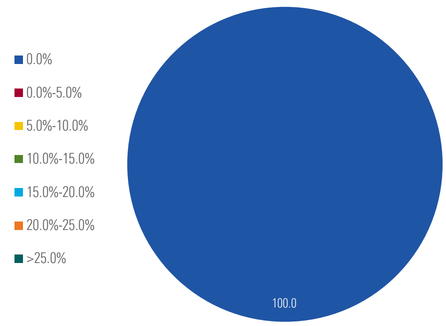
Property Release: Three loans, representing 14.2% of the initial pool balance, allow for the release of one or more properties or a portion of the mortgaged property, subject to release prices at or exceeding the allocated loan amounts of the respective properties and/or certain leverage tests prescribed in the individual loan agreement.

Property Substitution: There are no loans in the pool that allow for the substitution of properties.

Interest Only (%)



DBRS Morningstar Expected Amortization (%)

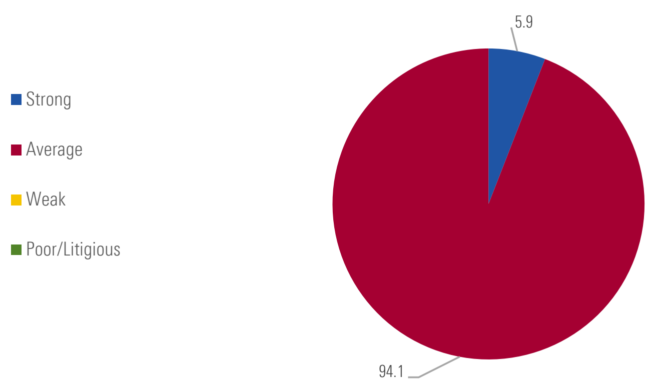


Note: For certain anticipated repayment date (ARD) loans, expected amortization may include amortization expected to occur after the ARD but prior to single/major tenant expiry.

Reserve Requirement			**Borrower Structure**		
Type	# of Loans	% of Pool	Type	# of Loans	% of Pool
Tax Ongoing	37	100.0	SPE with Independent Director and Non-Consolidation Opinion	15	68.5
Insurance Ongoing	37	100.0	SPE with Independent Director Only	0	0.0
Capex Ongoing	36	95.3	SPE with Non-Consolidation Opinion Only	0	0.0
Leasing Costs Ongoing[1]	0	0.0	SPE Only	22	31.5

1 Percent of office, retail, industrial, and mixed-use assets based on DBRS Morningstar property types.

DBRS Morningstar Sponsor Strength (%)



Source: DBRS Morningstar.

Transaction Structural Features

Credit Risk Retention: Arbor Parent, the securitization sponsor (in such capacity, the Retaining Sponsor), will be responsible for compliance with the U.S. Credit Risk Retention Rules and intends to satisfy such requirement through the purchase and retention by a majority-owned affiliate of Arbor Parent of an eligible horizontal residual interest. As of the Closing Date, the eligible horizontal residual interest will be held by ARMS 2021-Equity Holdings LLC (ARMS Equity), a Delaware limited liability company, a majority-owned affiliate of Arbor Parent. Additionally, the transaction is being structured with the intent to comply with the EU retention rules under Regulation (EU) 2017/2402.

Retention Holder: ARMS Equity will purchase 100.0% of the Class F Notes, the Class G Notes, and the Preferred Shares issued on the Closing Date and therefore will be the initial Retention Holder.

Preferred Shares: The Preferred Shares are equity of the Issuer and will not be secured by any of the mortgage loans. The Preferred Shares are subordinate to all classes of notes in all respects and have no promised dividend or coupon.

Collateral Manager: Arbor Realty Collateral Management, LLC, a wholly owned subsidiary of the Arbor Parent, will serve as the collateral manager and provide certain advisory and administrative functions with respect to the collateral interests pursuant to the terms of the Collateral Management Agreement. The collateral manager is obligated to perform its duties according to the collateral management standard.

Ramp-Up Acquisition Period: The transaction includes a 180-day ramp-up period to achieve a target collateral principal balance of $785.0 million. During this time, the Issuer may acquire commercial mortgage loans, combined loans (mortgage loans together with the related mezzanine loan), or senior participations, including funded companion participations (collectively, Collateral Interests), subject to the eligibility criteria and will be acquired with funds from the unused proceeds account. On the first payment date after the Ramp-Up Completion Date, all amounts on deposit in the unused proceeds account (excluding (1) any such amounts that are designated by the Collateral Manager to be used to acquire Committed Ramp-Up Collateral Interests and (2) at the election of the Collateral Manager, an amount up to $5,000,000 to be held for reinvestment in Reinvestment Collateral Interests) will be applied as principal proceeds in accordance with the priority of payments.

Reinvestment: The Collateral Manager may direct the reinvestment of Principal Proceeds arising from the collateral interests (and any cash contributed by ARMS Equity to the Issuer) in Reinvestment Collateral Interests, including Funded Companion Participations, meeting the eligibility criteria and the reinvestment criteria. The Reinvestment Period is 30 months and, assuming no event of default has occurred, terminates on the payment date in September 2023.

Rating Agency Confirmations: Certain events within the transaction, including Criteria-Based Modifications, require the Issuer to obtain RAC. DBRS Morningstar will confirm that a proposed action, or failure to act or other specified event, will not, in and of itself, result in the downgrade or withdrawal of the current ratings. Acquiring companion participations via the Reinvestment Criteria (in an amount not to exceed $1 million per loan) and Administrative Modifications does not require the Issuer to obtain RAC.

Administrative Modifications: Excluding any Credit Risk Mortgage Asset, Specially Serviced Mortgage Loan, or Defaulted Mortgage Asset, the Collateral Manager is permitted Administrative Modifications, including changes to, among other things, (1) exit fees, extension fees, default interest, prepayment fees (including in connection with the defeasance and lockouts), or yield or spread maintenance provisions; (2) financial covenants (including in connection with extensions relating to debt yield, debt service coverage, or LTV requirements; (3) reserve account purposes, minimum balance amounts, release conditions, or other reserve requirements (other than for taxes or insurance), including requirements to fund reserves in connection with extensions; and (4) conditions precedent to extending the term of the related commercial real estate loan. The effectuation of any Administrative Modifications by the CLO servicer will not be subject to the Servicing Standard.

Criteria-Based Modification: With respect to certain collateral interest, a modification, waiver, or amendment to the related commercial real estate loan would result in a change (1) in the interest rate or margin, (2) of the earliest date permitted for any prepayment, (3) permitting indirect owners of the related borrower to incur additional funding in the form of a mezzanine loan or preferred equity issuance, or (4) of the maturity date or extended maturity date under the related commercial real estate loan. The related collateral interest must comply with eligibility criteria, including the requirement to obtain a RAC, as adjusted by the EC Modification Adjustments.

The effectuation of any Administrative Modification or Criteria-Based Modification by the CLO Servicer will not be subject to the Servicing Standard; however, the Collateral Manager's decision to direct any Administrative Modification or Criteria-Based Modification will be subject to the Collateral Management Standard.

Note Protection Tests: Like most CRE CLO transactions, the subject transaction features senior note protection tests in the form of an interest coverage (IC) test and a par value or overcollateralization (OC) test. If the IC or OC tests are not satisfied on any measurement date, interest proceeds remaining after interest is paid to the Class E Notes will be diverted to deleverage and pay down Classes A through E in senior sequential order until the tests are brought back into compliance. If interest proceeds are not sufficient to rebalance the vehicle and satisfy both the IC and the OC tests or pay down the applicable classes, any principal proceeds will be diverted for the same purpose. The Par Value Test will be satisfied if the Par Value Ratio is equal to or greater than 118.76%, which is 1.0% lower than the initial Par Value Ratio. The IC test will be satisfied if the IC ratio is equal to or great than 120.0%.

Advancing Agent and Backup Advancing Agent: Arbor Realty SR, Inc. will serve as the Advancing Agent with respect to certain interest payments on the notes, subject to a recoverability analysis. If the Advancing Agent fails to make such payments, the Trustee, U.S. Bank, will serve as the Backup Advancing Agent and be required to advance certain delinquent scheduled interest payments, as applicable, to the extent that the Advancing Agent or Backup Advancing Agent, as applicable, deems such advances to be recoverable.

Controlling Class: The Class A Notes are the controlling class, so long as any Class A Notes are outstanding, then the Class A-S Notes, so long as any Class A-S Notes are outstanding, then the Class B Notes, so long as any Class B Notes are outstanding, then the Class C Notes, so long as any Class C Notes are outstanding, then the Class D Notes, so long as any Class D Notes are outstanding, then the Class E Notes, so long as any Class E Notes are outstanding, then the Class F Notes, so long as any Class F Notes are outstanding, then the Class G Notes, so long as any Class G Notes are outstanding, and then the Preferred Shares. If an Event of Default has occurred and is continuing, the holders of the Controlling Class will be entitled to determine the remedies to be exercised under the Indenture and in certain circumstances, without regard to whether there are sufficient proceeds to pay in full the amounts then due and unpaid on the Notes.

Deferrable Floating-Rate Notes: The Class F and G Notes allow for deferred interest. To the extent that interest proceeds are not sufficient on a given payment date to pay accrued interest, interest will not be due and payable on the payment date and will instead be deferred. The deferred interest will be added to the principal amount of the respective note and bear interest at the same rate as the reference note. DBRS Morningstar's ratings contemplate the timely payments of distributable interest and, in the case of the deferrable interest, the ultimate recovery of deferred interest (including interest payable thereon at the applicable rate to the extent permitted by law). Deferred interest will be added to the principal balance of the deferrable notes and will be payable on the first payment date on which funds are permitted. Thus, DBRS Morningstar will assign its Interest in Arrears designation to the Deferred Interest Classes in months when classes are subject to deferred interest.

Optional Repricing: After the noncall period, the Issuer may, at the direction of the majority of the preferred shareholders, reduce the spread over the benchmark of any class of notes, subject to the satisfaction of conditions set forth in the indenture. The holders of each such Class will be provided notice of the Re-Pricing and the opportunity to consent thereto. The Co-Issuers may require the Holders of the Notes that do not consent to a Re-Pricing to sell their Notes to transferees designated by, or on behalf of, the Issuer, or the Co-Issuer may redeem such Notes.

Methodologies

The following are the methodologies DBRS Morningstar applied to assign ratings to this transaction. These methodologies can be found on www.dbrsmorningstar.com under the heading Methodologies & Criteria. Alternatively, please contact info@dbrsmorningstar.com or contact the primary analysts whose information is listed in this report.

- *North American CMBS Multi-borrower Rating Methodology*
- *DBRS Morningstar North American Commercial Real Estate Property Analysis Criteria*
- *Rating North American CMBS Interest-Only Certificates*
- *Interest Rate Stresses for U.S. Structured Finance Transactions*

Surveillance

DBRS Morningstar will perform surveillance subject to *North American CMBS Surveillance Methodology*.

Notes:
All figures are in U.S. dollars unless otherwise noted.

This report is based on information as of February 17, 2021. Subsequent information may result in material changes to the rating assigned herein and/or the contents of this report.

Glossary

ADR	average daily rate	**MSA**	metropolitan statistical area
ARA	appraisal-reduction amount	**n.a.**	not available
ASER	appraisal subordinate entitlement reduction	**n/a**	not applicable
BOV	broker's opinion of value	**NCF**	net cash flow
CAM	common area maintenance	**NNN**	triple net
capex	capital expenditures	**NOI**	net operating income
CBD	central business district	**NRA**	net rentable area
CBRE	CB Richard Ellis	**NRI**	net rental income
CMBS	commercial mortgage-backed securities	**NR – PIF**	not rated – paid in full
CoStar	CoStar Group, Inc.	**OSAR**	operating statement analysis report
CREFC	CRE Finance Council	**PCR**	property condition report
DPO	discounted payoff	**P&I**	principal and interest
DSCR	debt service coverage ratio	**POD**	probability of default
EGI	effective gross income	**PIP**	property improvement plan
EOD	event of default	**PILOT**	property in lieu of taxes
F&B	food & beverage	**PSA**	pooling and servicing agreement
FF&E	furniture, fixtures and equipment	**psf**	per square foot
FS Hotel	full-service hotel	**R&M**	repairs and maintenance
G&A	general and administrative	**REIT**	real estate investment trust
GLA	gross leasable area	**REO**	real estate owned
GPR	gross potential rent	**RevPAR**	revenue per available room
HVAC	heating, ventilation and air conditioning	**sf**	square foot/square feet
IO	interest only	**STR**	Smith Travel Research
LC	leasing commission	**SPE**	special-purpose entity
LGD	loss severity given default	**TI**	tenant improvement
LOC	letter of credit	**TIC**	tenants in common
LOI	letter of intent	**T-12**	trailing 12 months
LS Hotel	limited-service hotel	**UW**	underwriting
LTC	loan-to-cost	**WA**	weighted average
LTCT	long-term credit tenant	**WAC**	weighted-average coupon
LTV	loan-to-value	**x**	times
MHC	manufactured housing community	**YE**	year end
MTM	month to month	**YTD**	year to date

Definitions

Capital Expenditure (Capex) Costs incurred in the improvement of a property that will have a life of more than one year.	
DBRS Morningstar Refi DSCR A measure that divides the DBRS Morningstar stabilized NCF by the product of the loan's maturity balance and a stressed refinance debt constant.	
DBRS Morningstar Term DSCR A measure that divides the DBRS Morningstar stabilized NCF by the actual debt service payment	
Debt Service Coverage Ratio (DSCR) A measure of a mortgaged property's ability to cover monthly debt service payments, defined as the ratio of net operating income or net cash flow to the debt service payments.	
Effective Gross Income (EGI) Rental revenue minus vacancies plus miscellaneous income.	
Issuer UW Issuer underwritten from Annex A or servicer reports.	
Loan-to-Value (LTV) The ratio between the principal amount of the mortgage balance, at origination or thereafter, and the most recent appraised value of the underlying real estate collateral, generally from origination.	
Net Cash Flow (NCF) The revenues earned by a property's ongoing operations less the expenses associated with such operations and the capital costs of tenant improvements, leasing commissions and capital expenditures (or reserves). Moreover, NCF is net operating income less tenant improvements, leasing commissions and capital expenditures.	
NNN (Triple Net) A lease that requires the tenant to pay operating expenses such as property taxes, insurance and maintenance, in addition to the rent.	
Net Operating Income (NOI) The revenues earned by a property's ongoing operations less the expenses associated with such operations but before mortgage payments, tenant improvements, replacement reserves and leasing commissions.	
Net Rentable Area (NRA) The area (sf) for which rent can be charged. NRA includes the tenant's premises plus an allocation of the common area directly benefiting the tenant, such as common corridors and restrooms.	
Revenue Per Available Room (RevPAR) A measure that divides revenue by the number of available rooms, not the number of occupied rooms. It is a measure of how well the hotel has been able to fill rooms in the off-season, when demand is low even if rates are also low, and how well it fills the rooms and maximizes the rate in the high season, when there is high demand for hotel rooms.	
Tenant Improvements (TIs) The expense to physically improve the property or space, such as new improvements or remodeling, paid by the borrower.	
Weighted Average (WA) Calculation is weighted by the size of each mortgage in the pool.	
Weighted-Average Coupon (WAC) The average coupon or interest payment on a set of mortgages, weighted by the size of each mortgage in the pool.	

About DBRS Morningstar

DBRS Morningstar is a full-service global credit ratings business with approximately 700 employees around the world. We're a market leader in Canada, and in multiple asset classes across the U.S. and Europe.

We rate more than 3,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

DBRS Morningstar is empowering investor success as the go-to source for independent credit ratings. And we are bringing transparency, responsiveness, and leading-edge technology to the industry.

That's why DBRS Morningstar is the next generation of credit ratings.

Learn more at dbrsmorningstar.com.

The DBRS Morningstar group of companies consists of DBRS, Inc. (Delaware, U.S.)(NRSRO, DRO affiliate); DBRS Limited (Ontario, Canada)(DRO, NRSRO affiliate); DBRS Ratings GmbH (Frankfurt, Germany)(EU CRA, NRSRO affiliate, DRO affiliate); and DBRS Ratings Limited (England and Wales)(UK CRA, NRSRO affiliate, DRO affiliate). For more information on regulatory registrations, recognitions and approvals of the DBRS Morningstar group of companies, please see: https://www.dbrsmorningstar.com/research/225752/highlights.pdf.

The DBRS Morningstar group of companies are wholly-owned subsidiaries of Morningstar, Inc.