Rating Report

Arbor Realty Commercial Real Estate Notes 2021-FL4, Ltd.

DBRS Morningstar
December 13, 2021

Chandan Banerjee
Senior Vice President
+1 212 806-3901
Chandan.banerjee@morningstar.com

Edward Dittmer
Senior Vice President
+1 212 806-3285
edward.dittmer@dbrsmorningstar.com

Kurt Pollem
Managing Director
+1 646 993-7759
kurt.pollem@dbrsmorningstar.com

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

DBRS Morningstar Viewpoint
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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 Notes	Provisional Rating - Finalized	$1,170,750,000	44.250%	AAA (sf)	Stable
Class A-S Notes	Provisional Rating - Finalized	$139,125,000	37.625%	AAA (sf)	Stable
Class B Notes	Provisional Rating - Finalized	$89,250,000	33.375%	AA (low) (sf)	Stable
Class C Notes	Provisional Rating - Finalized	$102,375,000	28.500%	A (low) (sf)	Stable
Class D Notes	Provisional Rating - Finalized	$139,125,000	21.875%	BBB (sf)	Stable
Class E Notes	Provisional Rating - Finalized	$73,500,000	18.375%	BBB (low) (sf)	Stable
Class F Notes	Provisional Rating - Finalized	$128,625,000	12.250%	BB (low) (sf)	Stable
Class G Notes	Provisional Rating - Finalized	$65,625,000	9.125%	B (low) (sf)	Stable
Preferred Shares	NR	$191,625,000	0.000%	NR	N.A

Notes:
1. NR = not rated.
2. The Class F Notes, the Class G Notes, and the Preferred Shares are not offered.

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Transaction Summary

Pool Characteristics			
Trust Amount ($)	1,785,024,778	**Target Pool Balance ($)**	2,100,000,000
Number of Loans[1]	50	**Ramp-Up Collateral ($) / %**	314,975,222/ 15.0%
Number of Properties	87	**Top Ten Loan Concentration (%)**	41.9
Managed / Static	Managed	**Unfunded Companion Participation Amount ($)**	70,082,307
Delayed Close Loans	N	**Replenishment Allowed / RAC $ Amount**	N / $500,000
Par Value Test Ratio (%)	121.51	**Reinvestment Period (months)[6]**	30
Initial Par Value Ratio (%)	122.51	**Interest Coverage Test Ratio (X)**	1.20
Wtd. Avg. Current Funded As-Is Appraised Issuance LTV (%)	77.3	**Wtd. Avg. DBRS Morningstar As-Is Issuance LTV (%)**	83.4
Wtd. Avg. Current Funded Stabilized Appraised LTV (%)	57.3	**Wtd. Avg. DBRS Morningstar Stabilized Balloon LTV (%)**	69.1
Wtd. Avg. Interest Rate Margin (%)	3.60021	**DBRS Morningstar Wtd. Avg. Interest Rate[4] (%)**	4.75
Wtd. Avg. Remaining Term[2]	30.0	**Wtd. Avg. Remaining Term - Fully Extended**	49.0
Wtd. Avg. DBRS Morningstar As-Is DSCR[3,5]	0.85	**Wtd. Avg. Issuer As-Is DSCR (x)[5]**	1.35
Wtd. Avg. DBRS Morningstar Stabilized DSCR[4,5]	1.06	**Wtd. Avg. Issuer Stabilized DSCR (x)[5]**	1.41
Avg. DBRS Morningstar As-Is NCF Variance[3] (%)	-9.0	**Avg. DBRS Morningstar Stabilized NCF Variance[4] (%)**	-19.7

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 Ramp loan assumptions, if applicable.

1.There are 51 loans in the pool. However, for the purposes of modeling DBRS Morningstar treated two loans, The Palmetto at East Mil (#5) and The Beverly at East Mil (#11), as a single loan because they have the same sponsor, property management, and are located less than two miles from each other, All DBRS Morningstar metrics are based on a 50-loan count.

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

3. Based on DBRS Morningstar As-Is NCF.

4. Based on DBRS Morningstar Stabilized NCF.

5. Interest rate assumes 0.10% 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

6. Reinvestment Period begins on the Closing Date and ending on and including the earliest of (i) the Payment Date in March 2024, (ii) the end of the due period related to the Payment Date on which all of the Notes are redeemed and (iii) the date on which the Notes are accelerated following the occurrence and continuation of an Event of Default.

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
Multifamily	100.0	100.0
Student Housing	0.0	0.0
Manufactured Housing	0.0	0.0

State Concentration	Issuance (%)	Limit (%)
Florida	17.5	40.0
Texas	16.4	40.0
Pennsylvania	11.9	40.0
New York	10.3	40.0

Issuer	Arbor Realty Commercial Real Estate Notes 2021-FL4, Ltd.
Co-Issuer	Arbor Realty Commercial Real Estate Notes 2021-FL4, LLC
Mortgage Loan Seller	Arbor Realty SR, Inc.
Collateral Manager	Arbor Realty Collateral Management, LLC
Trustee	U.S. Bank National Association
Custodian	U.S. Bank National Association
Servicer	Arbor Multifamily Lending, LLC
Special Servicer	Arbor Multifamily Lending, LLC
Placement Agents	J.P. Morgan Securities LLC
	Credit Suisse Securities (USA) LLC

Coronavirus Overview

With regard to the Coronavirus Disease (COVID-19) 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 structured finance rating methodologies and Coronavirus Disease (COVID-19), please see the following DBRS Morningstar press release: https://www.dbrsmorningstar.com/research/384482/

Rating Considerations

The initial collateral consists of 50 floating-rate mortgage loans and senior participations secured by 87 mostly transitional properties, with an initial cut-off date balance totaling approximately $1.79 billion. Each collateral interest is secured by a mortgage on a multifamily property or a portfolio of multifamily properties. 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 $314.98 million to a total target collateral principal balance of $2.1 billion. DBRS Morningstar assessed the $314.98 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 EOD 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, mortgages exclusively secured by multifamily properties are allowed as ramp-up collateral interests. Lastly, the eligibility criteria stipulates a rating agency confirmation (RAC) on ramp loans, reinvestment loans, and pari passu participation acquisitions above $500,000 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 67.6% of the initial pool balance, had a DBRS Morningstar As-Is DSCR of 1.00x or below, a threshold indicative of default 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-FL4 transaction will be Arbor's 17th post-crisis CRE CLO securitization, and the firm has seven outstanding transactions representing approximately $5 billion in investment-grade proceeds. In total, Arbor has been an issuer and manager of 16 CRE CLO securitizations totaling roughly $8.5 billion. Additionally, Arbor will purchase and retain 100.0% of the Class F Notes, the Class G Notes, and the Preferred Shares, which total $385,875,000, or 18.4% of the transaction total.
- **100.0% Multifamily Pool** – The transaction's initial collateral composition consists entirely of multifamily properties, which 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 midrise/high-rise buildings. After closing, as part of the ramp-up and reinvestment period, the collateral manager may only acquire loans secured by multifamily properties, excluding student housing properties. The prior ARCREN 2021-FL3 transaction allowed the collateral manager to also acquire student housing properties. Compared to the ARCREN 2021-FL3 transaction, the subject pool has more favorable property type requirements during the reinvestment period.
- **Primarily Acquisition Financing** – Forty-seven loans, representing 90.9% 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, which results in a higher sponsor cost basis in the underlying collateral and aligns the financial interests between the sponsor and lender.
- **Low Leverage** – The WA DBRS Morningstar Stabilized LTV is lower than recently rated Arbor transactions. Twenty-six loans, representing 45.4% of the total trust balance, have a DBRS Morningstar Stabilized LTV less than 70.0%, which decreases refinance risk at maturity. Three of these loans are in the top 10 largest loans in the pool, including The Avenue at East Falls (#2; 4.95% of the cutoff date pool

balance), Startford Chase and Blendon Square (#8; 3.4% of the pool balance), and Commons at White Marsh (#10; 2.9% of the pool balance) . Additionally, only one loan in the pool, Manhattanville Portfolio (#6; 3.7% of the pool balance), has a DBRS Morningstar Stabilized LTV greater than 80.0%.

- **High Diversity** – The initial collateral pool is diversified across 16 states and has a loan Herfindahl score of approximately 34.2. The loan Herfindahl score is higher to recent Arbor CRE CLO transactions. Eleven of the loans, representing 26.3% 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.

Challenges & Considerations

- **Weaker Eligibility Criteria** - While the eligibility criteria for this transaction is similar to those for ARCREN 2021-FL3, they are lower than the first two ARCREN 2021 transactions. This transaction, like ARCREN 2021-FL3, allows for higher LTV and lower DSCR's when compared to the first prior ARCREN 2021 transactions. The collateral manager has the option to acquire multifamily loans with an As-Stabilized LTV of 80.0% and a minimum DSCR of 1.15x. This compares to 75.0% LTV and 1.25x DSCR in ARCREN 2021-FL1 and ACREN 2021-FL2.
    - *Mitigant*: DBRS Morningstar modeled the hypothetical ramp-up loans with the maximum LTV of 80.0% and DSCR minimum of 1.15x, which results in higher POD and LGD adjustments compared to the prior 2021 ARCREN transactions.
    - *Mitigant:* Before the collateral manager can acquire new loans, the loans will be subject to a No Downgrade Confirmation by DBRS Morningstar.
- **Elevated Business Plan Risk** – DBRS Morningstar's business plan score 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, and previous transactions by the Issuer, the subject has a high average business plan score, indicative of higher risk. The DBRS Morningstar business plan score has a range of 1 to 5. The business plan score's in the subject pool ranged between 1.68 and 3.12, with an average sampled score of 2.40. Higher DBRS Morningstar business plan scores indicate more risk in the sponsor’s business plan.
    - *Mitigant*: The business plan score is an input into the DBRS Morningstar model and drives the blended POD used for the loan's expected loss. A riskier business plan drives a higher POD.
- **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's initial collateral composition is 100.0% multifamily. During the ramp-up period, only loan secured by multifamily properties can be added. Unlike prior ARCREN transactions, this transaction does not permit the addition of student housing loans to the pool. Future loans cannot be secured by office, hospitality, industrial, retail, 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*: Before ramp loans, reinvestment loans and companion participations above $500,000 can be acquired by the Collateral manager, a No Downgrade Confirmation is required from DBRS Morningstar.
  - *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.
- **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 and lack of principal amortization.
  - *Mitigant*: DBRS Morningstar stresses interest rates based on the loan terms and applicable floors or caps. The DBRS Morningstar adjusted DSCR is a model input and drives loan level POD's and LGD's.
  - *Mitigant*: 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.

Legal and Structural Considerations

- **Libor Replacement**: The underlying mortgages for the transaction will pay the floating rate, which presents potential benchmark transition risks as the deadline approaches for the elimination of Libor. The transaction documents provide for the transition to an alternative benchmark rate, which is primarily contemplated to be either Term Secured Overnight Financing Rate (SOFR) plus the applicable Alternative Rate Spread Adjustment or Compounded SOFR plus the Alternative Rate Spread Adjustment. has sole discretion without the consent of any noteholder to select an alternate rate to replace the then-current benchmark, giving due consideration to any industry-accepted rate of interest as a replacement based upon then-current U.S. dollar-denominated securitizations at such time.
- **Administrative and Criteria Based Modifications**: In this transaction, Administrative Modifications and Criteria Based Modifications may be directed by the sponsor-affiliated Collateral Manager subject to the Collateral Management Standard. The Collateral Manager is limited in the number of Criteria Based Modifications that can be made in any calendar year, such that they may not exceed 10% of the Target Collateral Principal Balance.

DBRS Morningstar Credit Characteristics

DBRS Morningstar As-Is DSCR (x)	
DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	10.0
0.50x-0.75x	16.6
0.75x-1.00x	33.4
1.00x-1.25x	24.7
1.25x-1.50x	3.6
1.50x-1.75x	0.0
>1.75x	0.0
Wtd. Avg. (x)	0.85

DBRS Morningstar Stabillized DSCR (x)	
DSCR	% of the Pool (Senior Note Balance[1])
0.00x-0.50x	0.0
0.50x-0.75x	3.7
0.75x-1.00x	39.4
1.00x-1.25x	33.5
1.25x-1.50x	9.0
1.50x-1.75x	2.7
>1.75x	0.0
Wtd. Avg. (x)	1.06

DBRS Morningstar As-Is Issuance LTV	
LTV	% of the Pool (Senior Note Balance[1])
0.0%-50.0%	0.0
50.0%-60.0%	0.0
60.0%-70.0%	6.7
70.0%-80.0%	15.1
80.0%-90.0%	40.1
90.0%-100.0%	25.2
100.0%-110.0%	1.2
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	83.4

DBRS Morningstar Stabilized Balloon LTV	
LTV	% of the Pool (Senior Note Balance[1,2])
0.0%-50.0%	1.7
50.0%-60.0%	5.7
60.0%-70.0%	31.0
70.0%-80.0%	46.1
80.0%-90.0%	3.7
90.0%-100.0%	0.0
100.0%-110.0%	0.0
110.0%-125.0%	0.0
>125.0%	0.0
Wtd. Avg. (%)	69.1

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 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 (%)
East Mil Rollup (Loan #5 & #11)	116,646,750	6.8	n/a	1.05	0.96	81.8	74.8
The Avenue at East Falls	84,941,787	5.0	n/a	0.85	1.15	93.9	66.9
M6 Portfolio	84,325,000	4.9	n/a	0.86	1.08	99.1	73.9
Crest at Riverside	71,300,000	4.2	n/a	0.77	0.94	80.7	70.7
Waterview Apartments	69,994,680	4.1	n/a	0.89	1.18	92.8	71.5
Manhattanville Portfolio	64,000,000	3.7	n/a	0.48	0.67	87.1	81.1
Country Club Apartments	63,550,000	3.7	n/a	0.67	0.85	87.1	74.0
Stratford Chase & Blendon Square	58,002,200	3.4	n/a	0.64	0.89	90.2	64.7
Westchase Portfolio	56,562,880	3.3	n/a	1.19	1.36	83.6	73.4
Commons at White Marsh	50,000,000	2.9	n/a	1.05	1.26	86.2	64.5

Loan Name	DBRS Morningstar Property Type	City	State	Year Built	SF/Units	Fully Funded Mortgage Loan per SF/Units ($)	Fully Funded Mortgage Maturity Balance per SF/Units ($)
East Mil Rollup (Loan #5 & #11)	Multifamily	Various	FL	1972	894	130,477	135,445
The Avenue at East Falls	Multifamily	Philadelphia	PA	1953	508	167,208	177,657
M6 Portfolio	Multifamily	Memphis	TN	1973	1,240	68,004	68,004
Crest at Riverside	Multifamily	Roswell	GA	1964	396	180,051	180,051
Waterview Apartments	Multifamily	Memphis	TN	1985	1,002	81,836	81,836
Manhattanville Portfolio	Multifamily	New York	NY	1910	487	131,417	131,417
Country Club Apartments	Multifamily	Charlotte	NC	1969	454	146,916	146,916
Stratford Chase & Blendon Square	Multifamily	Westerville	OH	1980	548	114,781	114,781
Westchase Portfolio	Multifamily	Houston	TX	1979	1,330	75,376	75,376
Commons at White Marsh	Multifamily	Middle River	MD	1970	1,212	137,079	137,079

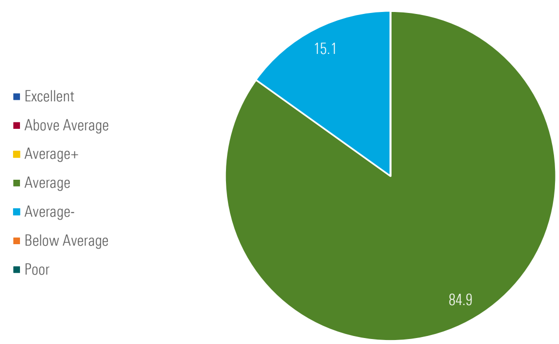
DBRS Morningstar Sample

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	East Mil Rollup (Loan #5 & #11)	6.8	5,766,869	-25.9	GPR, Operating Expenses	Average
2	The Avenue at East Falls	5.0	4,751,629	-24.8	GPR	Average
3	M6 Portfolio	4.9	4,976,181	-16.4	GPR, Operating Expenses	Average-
4	Crest at Riverside	4.2	3,495,828	-15.4	GPR, Operating Expenses	Average
5	Waterview Apartments	4.1	4,780,299	-20.7	GPR, Operating Expenses	Average
6	Manhattanville Portfolio	3.7	2,907,086	-21.1	GPR, Operating Expenses	Average
7	Country Club Apartments	3.7	3,009,606	-30.8	GPR	Average
8	Stratford Chase & Blendon Square	3.4	2,952,579	-36.0	GPR, Operating Expenses	Average-
9	Westchase Portfolio	3.3	5,801,794	-27.7	GPR, Operating Expenses, Vacancy	Average
10	Commons at White Marsh	2.9	10,739,635	-18.9	GPR, Operating Expenses	Average
11	Amara Apartments	2.8	2,627,575	-21.5	GPR, Operating Expenses	Average
12	100 York	2.7	6,432,383	-16.1	GPR, Operating Expenses	Average
13	Latitude 28 Apartments	2.7	2,703,219	-10.2	GPR, Payroll	Average
14	The Heights at Post Oak	2.6	2,106,513	-39.6	GPR, Operating Expenses	Average
18	Verona at the Park	2.4	2,400,971	-23.3		Average

DBRS Morningstar Site Inspections

DBRS Morningstar sampled 19 of the 50 loans in the pool, representing 62.6% of the pool by allocated cut-off date loan balance. DBRS Morningstar did not conduct site inspections of the properties because of the health and safety constraints associated with the ongoing coronavirus pandemic. The resulting DBRS Morningstar property quality scores are highlighted in the chart below and were derived based on photos and assessments from the Issuer and third parties.

DBRS Morningstar Sampled Property Quality



Source: DBRS Morningstar.

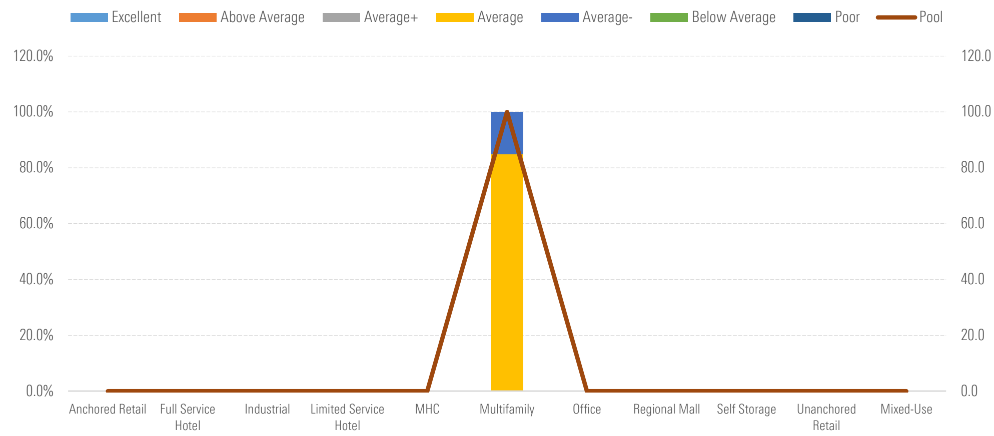
DBRS Morningstar Cash Flow Analysis

DBRS Morningstar completed a cash flow review and a cash flow stability and structural review for 19 of the 50 loans, representing 62.6% of the pool by loan balance. For the loans not subject to an NCF review, DBRS Morningstar applied an NCF variance of -9.0% and -19.7% 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 and extreme variances from the DBRS Morningstar Stabilized 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 -9.0% from the Issuer's NCF and ranged from -0.3% to -19.8%, excluding four loans with positive variances: Waterview Apartments, Amara Apartments, The Beverly at East Mil, and The Heights at Post Oak. These loans resulted in outlier 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 similar haircuts relative to most CRE CLO transactions.

DBRS Morningstar Sampled Property Type



Source: DBRS Morningstar.

Stabilized NCF

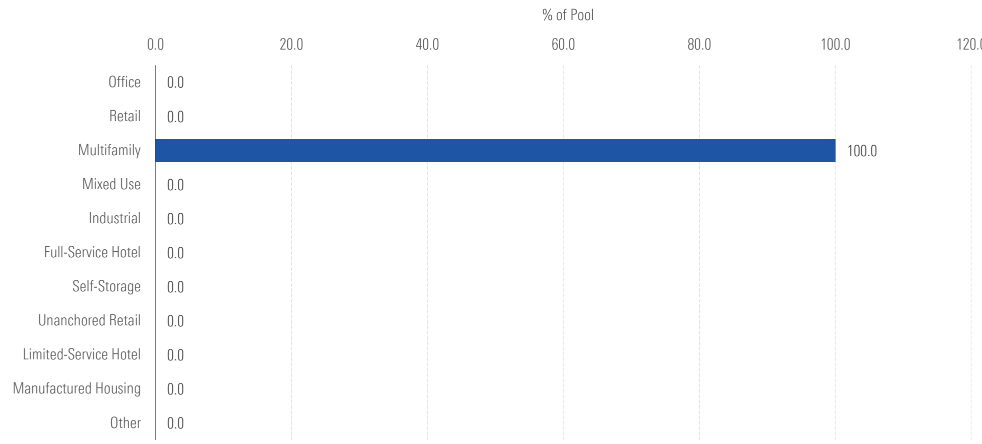
The DBRS Morningstar Stabilized NCF assumed the properties stabilized at market rents and/or recently executed leases and market expenses that DBRS Morningstar believed were reasonably achievable based on the sponsor's business plan and structural features of the respective loan. This often involved 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 -19.7% from the Issuer's Stabilized NCF and ranged from -10.2% to -24.8%, excluding four loans with very large, negative variances: Country Club Apartments, Stratford Chase and Blendon Square, The Beverly at East Mil, and The Heights at Post Oak. The DBRS Morningstar Stabilized NCFs resulted in higher haircuts relative to most CRE CLO transactions.

Model Adjustments

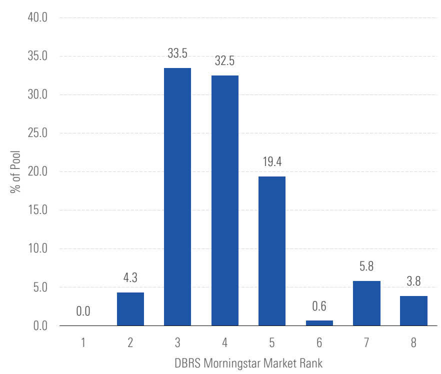
Since two loans, The Palmetto at East Mil (#5) and The Beverly at East Mil (#11) are located within 1.5 miles of each other, and have the same sponsorship and property management, DBRS Morningstar treated them as one loan for the purposes of modeling.

Transaction Concentrations

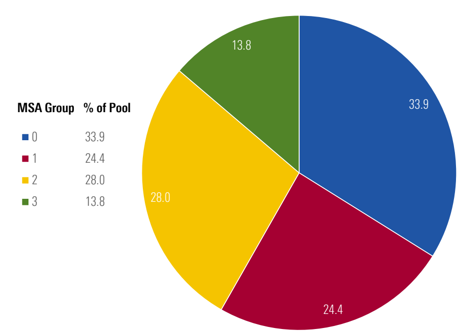
DBRS Morningstar Property Type



DBRS Morningstar Market Rank

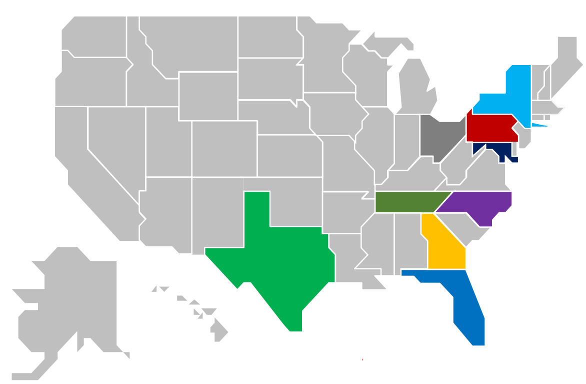


DBRS Morningstar MSA Group



Largest Property Location

Property Name	City	State
East Mil Rollup (Loan #5 & #7)	Various	FL
The Avenue at East Falls	Philadelphia	PA
M6 Portfolio	Memphis	TN
Crest at Riverside	Roswell	GA
Waterview Apartments	Memphis	TN
Manhattanville Portfolio	New York	NY
Country Club Apartments	Charlotte	NC
Stratford Chase & Blendon Square	Westerville	OH
Westchase Portfolio	Houston	TX
Commons at White Marsh	Middle River	MD



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 36 months. All loans, except The Avenue at East Falls (5.0% of the initial pool balance), which has no extension options, have one to three extension options, with each option ranging from six months to 12 months in duration. Additionally, the Topeka Portfolio loan (1.0% of the pool balance) is in its final extension term and has a fully extended maturity date in July 2022.

Interest Rate: The loan interest 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. Given the floating-rate nature of the loans, DBRS Morningstar stresses the interest rate to estimate the DBRS Morningstar DSCR model.

Interest Rate Protection: Nineteen of the floating-rate loans, representing 37.4% of 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: Four loans, representing 7.5% of the pool, have additional debt. Three of the loans have mezzanine debt, while The East Orange Portfolio (1.7% of the pool balance) has preferred equity. One of the loans with mezzanine debt is in the top 10: Commons at White Marsh (#10; 2.9% of the initial pool balance).

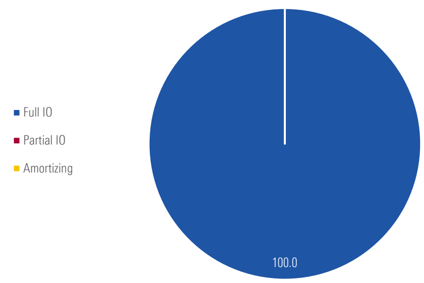
Future Funding: There are 28 loans, representing 58.3% of the initial pool balance, that have some form of holdback or future funding component, aggregating $70.1 million. Five loans (14.8% of the initial pool balance) have future funding participations aggregating $37.1 million and 23 loans (43.5% of the pool balance) have noninterest-accruing renovation reserves. The future funding/renovation reserve amounts per loan range from $454,000 to $14.4 million. The proceeds necessary to fulfill the future funding obligations will primarily be drawn from noninterest-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: There are three properties in the pool that are subject to ground leases. Two of the properties, Grahamwood Place and Pinebrooke Pointe, are part of the M6 Portfolio (7.3% of initial pool balance) and have leases with the health and education board of the City of Memphis, which holds the deeds in exchange for a payment in lieu of taxes (PILOT) that will be based on a frozen assessment of the subject. The 834 Pacific Street property in Brooklyn, NY (2.1% of the pool balance) is subject to a 48-year ground lease with the Roman Catholic Church of St. Joseph, which commenced in 2019 with an initial expiration in 2067 with two 25-year extension options. Since the Church is a tax-exempt entity, the initial ground rent expense of $984,852 per year with 10.0% escalations every five years will be offset by real estate tax abatement. Since all three ground leases are tied to tax incentives, DBRS Morningstar did not make any modeling adjustments for these properties.

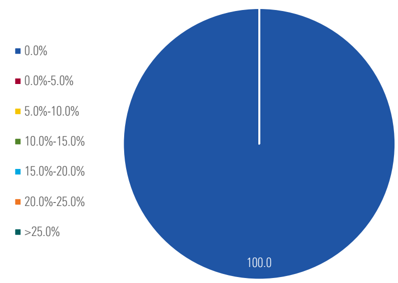
Property Release: Nine loans, representing 23.1% of the initial pool balance, allow for the release of one or more properties or a portion of the mortgaged property, subject to release prices at or exceeding the allocated loan amounts of the respective properties and/or certain leverage tests prescribed 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

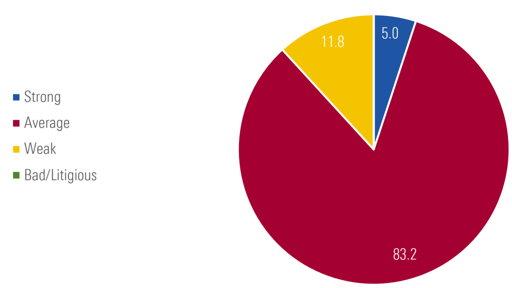


Note: For certain ARD loans, expected amortization may include amortization expected to occur after the ARD but prior to single/major tenant expiry.

Reserve Requirement		
Type	# of Loans	% of Pool
Tax Ongoing	48	96.8
Insurance Ongoing	48	96.8
CapEx Ongoing	29	57.4
Leasing Costs Ongoing[1]	0	0.0

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

DBRS Morningstar Sponsor Strength



Source: DBRS Morningstar.

Comparable Transactions

	Subject Deal	Comp Avg			
Deal Name	**ARCREN 2021-FL4**		**ARCREN 2021-FL3**	**ARCREN 2021-FL2**	**ARCREN 2021-FL1**
Pool Balance	$1,785,024,778	$811,998,875	$1,187,016,400	$653,024,568	$635,197,009
Target Pool Balance	$2,100,000,000	$1,016,666,667	$1,500,000,000	$815,000,000	$785,000,000
# of Loans	50	33	36	25	37
Average Loan Size	$34,298,849	$25,057,037	$31,882,640	$26,120,983	$17,167,487
Ramp-Up Amount	$314,975,222	n/a	$352,224,951	$161,975,432	$149,802,991
Ramp % of Loans	17.6%	n/a	30.7%	24.8%	23.6%
Largest Loan Concentration	6.8%	6.9%	5.4%	8.7%	6.5%
Top Ten Concentration	41.9%	53.6%	44.1%	61.2%	55.4%
Herf	34.2	24.7	30.1	19.6	24.5
Managed/Static	Managed	n/a	Managed	Managed	Managed
DBRS Morningstar WA E/L	**7.6%**	**6.9%**	**6.7%**	**6.8%**	**7.1%**
E/L 0% - 2%	5.9%	10.4%	10.9%	17.1%	3.1%
E/L 2% - 4%	3.0%	4.6%	5.7%	2.4%	5.7%
E/L 4% - 6%	17.8%	13.4%	9.4%	10.5%	20.2%
E/L 6% - 8%	19.4%	32.6%	43.8%	26.1%	28.0%
E/L 8% - 10%	32.6%	34.6%	19.8%	44.0%	40.0%
E/L >10%	21.2%	4.5%	10.4%	0.0%	3.0%
DBRS Morningstar As-Is WA LTV	**83.4%**	**82.3%**	**84.4%**	**83.0%**	**79.4%**
LTV >= 85.03%	44.6%	40.2%	42.2%	41.0%	37.4%
LTV >=75.16%, <85.03%	34.4%	36.6%	47.6%	33.3%	28.8%
LTV >=67.1%, <75.16%	13.5%	16.5%	10.2%	17.0%	22.2%
LTV <67.1%	7.5%	6.8%	0.0%	8.7%	11.7%
DBRS Morningstar Stabilized WA LTV	**69.1%**	**73.2%**	**72.2%**	**73.9%**	**73.5%**
LTV >= 85.03%	0.0%	6.4%	0.0%	6.5%	12.6%
LTV >=75.16%, <85.03%	10.1%	24.2%	16.6%	26.5%	29.6%
LTV >=67.1%, <75.16%	51.8%	52.6%	72.8%	48.2%	36.7%
LTV <67.1%	38.1%	16.8%	10.6%	18.8%	21.1%
DBRS Morningstar Sampled As-Is NCF Variance	**-9.0%**	**-13.9%**	**-11.1%**	**-16.9%**	**-13.6%**
DBRS Morningstar As-Is WA DSCR	**0.85**	**0.95**	**0.97**	**0.89**	**0.98**
DSCR < 0.50x	11.5%	14.8%	9.9%	19.8%	14.7%
DSCR 0.50x - 0.75x	17.8%	12.8%	6.7%	16.0%	15.8%
DSCR 0.75 - 1.00x	38.3%	22.7%	35.4%	16.1%	16.6%
DSCR 1.00x - 1.25x	28.5%	31.4%	31.2%	32.3%	30.6%
DSCR > 1.25x	3.9%	18.3%	16.9%	15.8%	22.3%

For managed transactions, deal stats exclude ramp loans.

	Subject Deal	Comp Avg			
Deal Name	**ARCREN 2021-FL4**		**ARCREN 2021-FL3**	**ARCREN 2021-FL2**	**ARCREN 2021-FL1**
DBRS Morningstar Sampled Stabilized NCF Variance	**-19.7%**	**-15.2%**	**-17.3%**	**-13.3%**	**-15.1%**
DBRS Morningstar Stabilized WA DSCR	**1.06**	**1.31**	**1.33**	**1.33**	**1.26**
DSCR < 0.90x	14.6%	1.7%	1.9%	1.7%	1.6%
DSCR 0.90x - 1.00x	29.5%	6.8%	0.0%	7.8%	12.6%
DSCR 1.00x - 1.25x	40.5%	38.7%	29.3%	40.9%	45.9%
DSCR 1.25x - 1.50x	12.8%	29.0%	44.1%	19.9%	23.1%
DSCR > 1.50x	2.7%	23.7%	24.7%	29.7%	16.8%
DBRSM WA Business Score	**2.40**	**2.09**	**2.33**	**2.10**	**1.83**
% Bus Rank 1-2	9.5%	47.9%	20.5%	41.8%	81.3%
% Bus Rank 2.01-3	82.6%	43.5%	65.1%	46.6%	18.7%
% Bus Rank 3.01-4	7.9%	8.7%	14.3%	11.6%	0.0%
% Bus Rank 4.01-5	0.0%	0.0%	0.0%	0.0%	0.0%
DBRS Morningstar Property Type					
Total Hotel % (includes Assisted Living)	0.0%	0.0%	0.0%	0.0%	0.0%
Total Office %	0.0%	0.0%	0.0%	0.0%	0.0%
Total Retail %	0.0%	0.0%	0.0%	0.0%	0.0%
Total MF %	100.0%	100.0%	100.0%	100.0%	100.0%
Total Industrial %	0.0%	0.0%	0.0%	0.0%	0.0%
Total Self Storage %	0.0%	0.0%	0.0%	0.0%	0.0%
Total MHC %	0.0%	0.0%	0.0%	0.0%	0.0%
Total Mixed Use %	0.0%	0.0%	0.0%	0.0%	0.0%
Total Other %	0.0%	0.0%	0.0%	0.0%	0.0%
DBRSM WA Market Rank	**4.1**	**3.9**	**4.0**	**4.0**	**3.7**
% Mkt Rank 8	3.8%	6.4%	5.8%	10.1%	3.1%
% Mkt Rank 7	5.8%	0.0%	0.0%	0.0%	0.0%
% Mkt Rank 5-6	20.0%	25.6%	29.7%	20.7%	26.3%
% Mkt Rank 3-4	66.0%	57.7%	47.1%	66.7%	59.2%
% Mkt Rank 1-2	4.3%	10.4%	17.3%	2.5%	11.4%
% Mkt Rank 0	0.0%	0.0%	0.0%	0.0%	0.0%
DBRS Morningstar MSA Group					
% MSA Group 3	13.8%	20.4%	23.5%	27.6%	10.1%
% MSA Group 2	28.0%	15.0%	19.0%	15.8%	10.1%
% MSA Group 1	24.4%	30.3%	17.1%	32.3%	41.4%
% MSA Group 0	33.9%	34.4%	40.4%	24.3%	38.4%
Eligibility Criteria					
As-Stabilized LTV	80.0%	75.0%	80.0%	75.0%	75.0%
As-Stabilized DSCR	1.15	1.22	1.15	1.25	1.25

For managed transactions, deal stats exclude ramp loans.

	Subject Deal	Comp Avg			
Deal Name	**ARCREN 2021-FL4**		**ARCREN 2021-FL3**	**ARCREN 2021-FL2**	**ARCREN 2021-FL1**
Property Type					
Multi-Family	100.0%		100.0%	100.0%	100.0%
Student Housing	0.0%		5.0%	5.0%	100.0%
Manufactured Housing	0.0%		5.0%	5.0%	0.0%
Office	0.0%		0.0%	7.5%	0.0%
Industrial	0.0%		0.0%	10.0%	0.0%
Self-Storage	0.0%		0.0%	5.0%	0.0%
Mixed Use	0.0%		0.0%	5.0%	0.0%
HERF Minimum	n/a		n/a	n/a	n/a
DBRS Morningstar Property Quality					
Excellent	1.7%	5.4%	2.6%	4.6%	9.1%
Above Average	0.0%	13.6%	5.1%	12.9%	22.8%
Average +	0.0%	3.7%	11.0%	0.0%	0.0%
Average	90.0%	73.5%	74.7%	82.5%	63.5%
Average -	8.3%	3.2%	4.8%	0.0%	4.7%
Below Average	0.0%	0.6%	1.9%	0.0%	0.0%
Poor	0.0%	0.0%	0.0%	0.0%	0.0%
DBRS Morningstar Sponsor Strength					
Strong	5.0%	2.0%	0.0%	0.0%	5.9%
Average	83.2%	93.4%	92.3%	93.9%	94.1%
Weak	11.8%	4.6%	7.7%	6.1%	0.0%
Bad (Litigious)	0.0%	0.0%	0.0%	0.0%	0.0%

For managed transactions, deal stats exclude ramp loans.

Transaction Structural Features

Credit Risk Retention: Arbor Realty SR, Inc. (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 2021-4 Equity Holdings LLC (ARMS Equity), 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 (the Ramp Up Period) to achieve a target collateral principal balance of $2.1 billion. During this time, the Issuer may acquire multifamily 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 acquisition and disposition conditions, this will be acquired with funds from the unused proceeds account. On the first payment date after the expiration of the Ramp-Up Period (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 within 30 days of the Ramp-Up Completion Date to acquire any Ramp-Up Collateral for which a binding commitment to purchase was entered on or before the Ramp-Up Completion Date and (2) at the election of the Collateral Manager, an amount up to $15,000,000 to be held for reinvestment in Reinvestment Collateral Interests) will be applied as principal proceeds in accordance with the priority of payments.

Reinvestment: During the Reinvestment Period, 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 companion participations that have been funded, meeting the eligibility criteria, the acquisition criteria, and certain acquisition and disposition conditions. The Reinvestment Period is 30 months and, assuming no EOD has occurred, terminates on the payment date in June 2024.

Rating Agency Confirmations: Certain events within the transaction, including Criteria-Based Modifications (as defined), require the Issuer to obtain a no downgrade Rating Agency Confirmation (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 senior companion participations via the Eligibility Criteria (in an amount not to exceed $500,000 if the Issuer owns a senior participation in the same underlying participated loan) and Administrative Modifications (as defined) do not require the Issuer to obtain RAC.

Administrative Modifications: The Collateral Manager is permitted to direct certain administrative modifications, waivers, or amendments (Administrative Modifications), which include conforming changes in connection with benchmark replacements and with respect to Collateral Interests (Excluding any Credit Risk Mortgage Asset, Specially Serviced Mortgage Loan, or Defaulted Mortgage Asset (all as defined in the Preliminary Offering Memorandum) certain 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 notwithstanding that any such modification, waiver, or amendment referred to in this definition may have the effect of delaying or deferring principal payments that would otherwise occur on the related Commercial Real Estate Loan prior to its fully extended maturity date.

Criteria-Based Modification: With respect to certain Collateral Interests (other than a Credit Risk Collateral Interest, a Defaulted Collateral Interest or a Collateral Interest relating to a Specially Serviced Loan), **Criteria-Based Modification** may include a modification, waiver, or amendment to the related commercial real estate loan that 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. A Criteria-Based Modification will be permitted only during the Reinvestment Period and if no note protection test failure exists; the related collateral interest comply with eligibility criteria, including the requirement to obtain a RAC, as adjusted by the EC Modification Adjustments (as defined in the POM); the aggregate principal balance of the related Collateral Interests do not exceed 10% of the targeted Collateral Interest principal balance; and certain other criteria.

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 (as defined in the Preliminary Offering Memorandum). In addition, any Administrative Modification or Criteria-Based Modification with respect to a Participated Loan will be subject to any consent rights of the holder of a non-acquired participation if so required under the terms of the related participation agreement.

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 OC or Par Value Test will be satisfied if the Par Value Ratio is equal to or greater than 121.51%. 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 Parent 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 EOD 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: Only the Class F and Class 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 (through the Business Day immediately preceding the Payment Date), 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*
- *Interest Rate Stresses for U.S. Structured Finance Transactions*

Surveillance

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

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

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.

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