

FANNIE MAE
Affordable Housing

BENEFITS	<ul style="list-style-type: none"> • Flexible underwriting to specific affordable developments. • Competitive pricing. • Flexible loan terms, and fixed- or variable-rate financing options. • Certainty and speed of execution.
ELIGIBILITY	<ul style="list-style-type: none"> • Expiring Low-Income Housing Tax Credit deals. • Refinancing of existing tax-exempt bond deals. • Properties eligible for the Rental Assistance Demonstration (RAD) program. • Properties with HUD Section 8 HAP Contracts. • Properties with existing Rural Housing Service (RHS) Section 515 loans. • Loans insured under Sections 202 or 236 of the National Housing Act.
TERMS	5 – 30 years.
AMORTIZATION	Up to 35 years.
INTEREST RATE	Fixed- and variable-rate options available.
MAXIMUM LTV	80%.
MINIMUM DSCR	1.20x (fixed rate).
PROPERTY CONSIDERATIONS	<p>Low-income qualifying restrictions required and must be recorded:</p> <ul style="list-style-type: none"> • 20% or more units rented to families earning at or below 50% of Area Median Income (AMI); • 40% or more units rented to families earning at or below 60% of AMI; or • Project-Based Housing Assistance Payments contract (Section 8) covering 20% or more units.
SUPPLEMENTAL FINANCING	Supplemental Loans are available.
PREPAYMENT AVAILABILITY	Flexible prepayment options including yield maintenance and declining prepayment premium.
RATE LOCK	30- to 180-day commitments; Borrowers may lock a rate with the Streamlined Rate Lock option.
ACCRUAL	30/360 and Actual/360.
THIRD-PARTY SUBORDINATE FINANCING	Hard subordinate debt (which requires scheduled repayment of principal) is permitted only if provided by a public, quasi-public, or not-for-profit lender and combined debt service coverage cannot fall below 1.05x. Soft subordinate debt is permitted subject to requirements which include capping payments at 75% of available Property cash flow after payment of senior liens and Property operating expenses.
RECOURSE	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.
ESCROWS	Replacement reserve, tax and insurance escrows are typically required.
THIRD PARTY REPORTS	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment and Property Condition Assessment.
ASSUMPTION	Loans are typically assumable, subject to review and approval of the new Borrower’s financial capacity and experience.

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