

# Sponsor-Initiated Affordability (SIA)

BENEFITS	<ul style="list-style-type: none"> <li>• Flexible loan terms.</li> <li>• Competitive pricing.</li> <li>• Supports socially responsible investing.</li> <li>• Potential DSCR Flexibility to 1.20 on a Pre-Review basis for deals with deeper affordability*.</li> <li>• Speed in processing and underwriting.</li> </ul>
ELIGIBILITY	<ul style="list-style-type: none"> <li>• Existing, stabilized Conventional properties.</li> <li>• Minimum of 20% of units are affordable at 80% of AMI or less, as adjusted for family size.</li> <li>• Rent does not exceed 30% of adjusted AMI for unit size.</li> <li>• Structured ARM Loans with less than a two-year lockout period are not eligible for pricing incentives.</li> <li>• Rent and income restrictions must be in place by the Mortgage Loan Origination Date.</li> </ul>
TERM	5 – 30 years.
AMORTIZATION	Up to 30 years.
INTEREST RATE	Fixed- and variable-rate options available.
MAXIMUM LTV	80%.
MINIMUM DSCR	1.25x, with potential flexibility to go to 1.20*.
SPONSOR-INITIATED AFFORDABILITY AGREEMENT	Borrower executes a Sponsor-Initiated Affordability Agreement (Form 6490) that is recorded against the Property and remains in place during the entire Mortgage Loan term. Borrower also executes Modifications to Multifamily Loan and Security Agreement (Sponsor-Initiated Affordability Restrictions) (Form 6271) and the Key Principal executes a Payment Guaranty (Pricing Incentive Recapture) (Form 6020.PIR).
ANNUAL COMPLIANCE REQUIREMENTS	The affordability compliance requirements must be managed by a third-party Administering Agent and include annual verification of the rent and income restrictions.
EXECUTION OPTIONS	MBS.
SUPPLEMENTAL FINANCING	Supplemental Mortgage Loans are available.
PREPAYMENT AVAILABILITY	Mortgage Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate Mortgage Loans or declining prepayment premium for variable-rate Mortgage Loans.
RATE LOCK	30- to 180-day Rate Lock periods are available.
ACCRUAL	30/360 and Actual/360.
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	Mortgage Loans are typically assumable, subject to review and approval of the proposed new borrower's financial capacity and experience.

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ASSET MANAGEMENT	The Property must be compliant with the Sponsor-Initiated Affordability Agreement within 12 months of the Mortgage Loan Origination Date. Lender is responsible for notifying Fannie Mae of non-compliance.
*POTENTIAL DSCR FLEXIBILITY ON A PRE-REVIEW BASIS	<p>DSCR at 1.20 will be considered on a Pre-Review, case-by-case basis if the Property meets the following criteria:</p> <ul style="list-style-type: none"><li>• Property located in a Strong or Eligible MSA market.</li><li>• At least 50% of the residential units have rents and incomes restricted at 80% of AMI or less.</li><li>• Actual rents on restricted units are at least 10% below comparable market rents.</li><li>• The Borrower is an Affiliate of a repeat Sponsor.</li></ul>

