

## Manufactured Housing Property Lending

Fannie Mae's Multifamily Mortgage Business provides financing options for residential real estate developments where the Borrower owns the Manufactured Housing Community (MHC) sites and associated common amenities and infrastructure.

### Benefits:

- Customized solutions
- Flexible financing
- Competitive pricing
- Certainty and speed of execution

### Eligibility:

- Existing, stabilized high quality, professionally managed MHC, with or without age restrictions, having a minimum of 50 pad sites
- At least one Key Principal of the Borrower should have experience in operating MHC
- Lenders experienced in financing HMC and approved by Fannie Mae for participation

Description	Non-recourse, fixed and adjustable rate financing for the acquisition or refinance of stabilized manufactured home communities
Loan Amount	Minimum \$3 million
Loan Terms	5-, 7-, 10- or 15-year balloon; 20-, 25- or 30-year fully amortizing
Amortization	25 years for Family Parks; 30 years for Seniors Parks
Loan to Value Maximum	Maximum 80% of appraised value, or, if a property has been purchased within the past 12 months, 80% or lower of appraisal or purchase price (and up to 3% of closing costs) plus value added renovation
Coverage Minimum	1.25x fixed rate / 1.00x adjustable rate (based on loan coupon plus 3%)
Borrower	Domestic single asset borrowing entity is required
Interest Rate	Risk-based "Tier" pricing, varying with LTV and DSC ratios
Prepayment	Yield Maintenance
Third Party Reports	MAI Appraisal, Physical Needs Assessment, and Environmental Phase 1 Reports are required
Reserves	Tax and Insurance escrow are required; Funded Repair and Replacement escrow is required, based on Physical Needs Assessment; for loans at less than 65% of value with no deferred maintenance, funding of repair and replacement reserve can be waived at Lender's discretion
Application Fees	\$15,000 to cover third party reports and processing/underwriting costs
Origination Fee	Fannie Mae requires a minimum origination fee equal to one percent of loan amount for loans of \$9 million or less; minimum fees decrease with increasing loan size; Origination Fee can be charged "outside" of the interest rate as a separate fee, or it can be built into the rate
Legal Fees	\$8,000-\$12,000, varying on characteristics of the deal
Timing	45-60 days from application to commitment, dependent on 3 <sup>rd</sup> party report timing and borrower's submission of due diligence
Assumability	Loan is assumable, subject to Lender approval of proposed replacement Borrower; fees include one percent assumption fee, part of which is paid to Fannie Mae, and a \$3,000 processing fee to cover Lender's underwriting expenses
Requirements	<ul style="list-style-type: none"> <li>a) Minimum of 50 pad sites,</li> <li>b) Paved roads,</li> <li>c) Professionally skirted with concealed hitches/jackposts,</li> <li>d) A minimum of 2 off street paved parking spaces adjoining each home,</li> <li>e) Ratio of tenant owned homes to owner occupied homes not to exceed 5%,</li> <li>f) At least 50% of the sites must be doublewide,</li> <li>g) Community must be served by underground public utilities or have a private sewage treatment plant and septic system, and</li> <li>h) Landscaping and entry signage must be high quality and well maintained</li> </ul>