

Affordable Housing Preservation

Fannie Mae's Multifamily Mortgage Business provides options for preserving the availability and affordability of subsidized rental housing for low-income renters. Fannie Mae can offer long-term financing or refinancing solutions for stabilized rental properties with rent and income restrictions.

Benefits:

- Flexible underwriting specific to affordable developments
- Competitive pricing
- Certainty and speed of execution

Eligibility:

- Expiring Low Income Housing Tax Credit deals
- Refinancing of existing tax-exempt bond deals
- Properties with Section 8 HAP Contracts
- Properties with existing RD 515 and RD 538 loans
- Loans insured under Sections 202 or 236 of the National Housing Act

Term	10 to 30 years
Amortization	Up to 30 years
Maximum LTV	80%
Minimum DSCR	1.20x
Recourse	Non-recourse. Standard carve-outs for "bad acts" such as fraud and bankruptcy are required
Escrows	Replacement reserve, tax, and insurance escrows are typically required for higher leverage transactions
Third-Party Reports	Standard third-party reports include Appraisal, Phase 1 Environmental Assessment and a Physical needs Assessment are required
Interest Rate	Fixed and variable rate options are available
Rate Lock	Early rate lock feature is available allowing the borrower to lock a rate 45 or 180 days in advance of closing
Assumption	Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience
Prepayment Options	Yield maintenance and other graduated prepayment options are available
Supplemental Financing	Supplemental Loans are available, providing the opportunity for additional proceeds for communities in the final stages of lease-up or with expansion phases
Property Considerations	Low-income qualifying restrictions; 20% or more units rented to families earning at or below 50% of Area Median Income (AMI) or 40% or more units rented to families earning at or below 60% of AMI. Restriction must be recorded.