

## DUS® Fixed Rate Program – Multifamily Affordable Housing

Fannie Mae’s Multifamily Affordable Housing’s Fixed Rate Program provides non-recourse, fixed rate financing for the acquisition or refinance of stabilized multifamily rental or cooperative properties with expiring use rent and income restrictions, affordable preservation and/or Section 8 HAP Contracts

Description	Non-recourse, fixed rate financing for the acquisition or refinance of stabilized multifamily rental or cooperative properties with expiring use rent and income restrictions, affordable preservation and/or Section 8 HAP Contract
Loan Amount	Minimum \$1 million
Loan Term	10 to 30 years
Amortization	Up to 30 years
Loan to Value Maximum	Maximum 80% of appraised value, or, if a property has been purchased within the past 12 months, 80% of lower of appraisal or purchase price (and up to 3% of closing costs) plus value added renovation
Debt Service Coverage	Minimum 1.20x
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 I reports are required; Seismic Report may be required for properties in Seismic Zones 3 and 4
Reserves	Tax and insurance escrows are required; Funded Repair and Replacement escrow is required, based on engineer’s Physical Needs Assessment; For loans at less than 75% of value with no deferred maintenance, funding of repair and replacement reserve can be waived, at Lender’s discretion
Application and Due Diligence Fees	\$2,500 non-refundable Application Fee to cover internal underwriting costs; \$12,500 Due Diligence Fee to cover third party reporting
Origination Fee	Fannie Mae requires a minimum origination fee equal to 1% 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	Estimated at \$8,000 to \$12,000, varying with characteristics of the deal
Timing	45-60 days from application to commitment, dependent on 3rd party report timing and Borrower’s submission of due diligence
Rate Lock	Typically, lock occurs after commitment is issued; Early Rate Lock option is available, allowing rate lock within 3-4 weeks of application
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 expense