

## Fannie Mae Seniors Housing Program

Fannie Mae's Multifamily Mortgage Business provides financing options for properties that provide Independent Living (IL), Assisted Living (AL), Alzheimer's/Dementia Care (ALZ), or any combination thereof (e.g. IL/AL/ALZ, AL/ALZ) for senior citizens.

### Benefits:

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

### Eligibility:

- Existing, stabilized, purpose-built Seniors Housing properties
- Sponsors and Operators with a minimum of five years' experience in the seniors housing and industry and a minimum of five stabilized properties
- Lenders experienced in financing Seniors Housing and approved by Fannie Mae for participation

Loan Amount	Minimum \$5,000,000, with exceptions on a case-by-case basis; Supplemental Loans are available under the Fannie Mae Seniors Housing Program
Loan Terms	5-, 7-, 10-, 15-, or 18-year balloons; 20-, 25-, and 30-year fully amortizing
Amortization	30 years maximum
Loan to Value Maximum	Maximum 75% of appraised value; maximum of 80% for tax-exempt bond financed transactions
Coverage Minimum	1.30x for independent living; 1.40x for facilities with an assisted living and/or Alzheimer's component greater than 50%; coverage for properties with less than 50% AL or ALZ will be on a weighted average basis; Coverage for stand-alone Alzheimer's facilities is 1.45x and coverage for properties containing any skilled nursing components is 1.50x
Borrower	Domestic single asset borrowing entity is required; Ownership and management must demonstrate at least five years' experience with properties of similar composition, and should have a minimum of five properties in their portfolio
Interest Rate	Risk-based pricing; fixed-rate transactions are benchmarked off of the associated Treasury Bill; adjustable rate transactions are benchmarked off of 30 or 90 day LIBOR; pricing for facilities with 50% or more assisted living and/or Alzheimer's units is 30 basis points higher than that for buildings that are predominantly independent; low leverage, large or pooled transactions may qualify for pricing waivers
Prepayment	Yield Maintenance, Defeasance, and Graduated Prepayment Premium
Third Party Reports	MAI Appraisal, Physical Needs Assessment, Environmental Phase I Assessment and Management and Operations Assessment are required for all deals; Seismic Report may be required for properties in Seismic Zones 3 and 4; A Regulatory Compliance Report is required for licensed properties
Reserves	Tax and Insurance escrows are required; Repair and Replacement escrow funding is required, based on the greater of the engineer's Physical Needs Assessment or \$300 per unit per year
Application Fee	Approximately \$17,000; to cover third party reports
Origination Fee	1% of loan amount; Origination Fee can be charged "outside" of the interest rate as a separate fee, or it can be built into the rate
Legal Fees	Approximately \$15,000, varying with characteristics of the transaction
Timing	For new Borrowers, 60-90 days from commencement of the Pre-screen process to closing; dependent on 3 <sup>rd</sup> party report timing and borrower's submission of due diligence; this timing can be reduced by 30 days for repeat Borrowers
Rate Lock	Rate lock occurs after borrower's acceptance of commitment 30- to 90-day commitments available; Extended Rate Lock feature is also available, allowing the borrower to lock a rate 45 to 365 days in advance of closing