For important disclosures about Lument and the information found in this term sheet **click here.**

FANNIE MAE DUS®

Manufactured Housing Communities (MHC)

BENEFITS

- Customized solutions.
- Competitive pricing.
- Certainty of execution.
- Speed in processing and underwriting.

ELIGIBILITY	• Existing, stabilized, professionally managed MHC, with or without age restrictions, having a minimum of 50 sites. • Quality Level 3, 4, or 5 communities. • At least one Key Principal of the Borrower should have experience in operating MHC. • Lenders experienced in financing MHC and approved by Fannie Mae for participation.
TERM	5 - 30 years.
AMORTIZATION	Up to 30 years.
INTEREST RATE	Fixed- and variable-rate options available.
MAXIMUM LTV	80%.
MINIMUM DSCR	1.25x.
PROPERTY CONSIDERATIONS	• MHC may be either age-restricted or all age (family community). • The percentage of park-owned homes generally may not exceed 25% but we allow for up to 35% with a business plan to reduce the percentage of park-owned homes over time. • Density is based on market norms and generally should not exceed 12 Manufactured Homes per acre for an existing community and 7 Manufactured Homes per acre for a new community. • With limited exceptions, all Manufactured Homes should conform to applicable Manufactured Housing HUD Code standards. • Leases cannot contain a tenant option to purchase the site. • Additional pricing incentives available for non-traditional MHC ownership forms (e.g., non-profit, government entity, or resident owned): https://multifamily.fanniemae.com/financing-options/manufactured-housing-communities/non-traditional-ownership
SUPPLEMENTAL FINANCING	Supplemental Mortgage loans are available.
PREPAYMENT AVAILABILITY	Flexible prepayment options are available, including yield maintenance and declining prepayment premium. Mortgage Loans may be voluntarily prepaid upon payment of the required prepayment premium per the Loan Documents.
RATE LOCK	30- to 180-day commitments. Borrowers may use the Streamlined Rate Lock option.
ACCRUAL	30/360 and Actual/360.
RECOURSE	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.
ESCROWS	Funding of tax and insurance escrows depend on leverage level. Replacement reserve escrow is typically not 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 new borrower’s financial capacity and experience.
MINIMUM UNDERWRITTEN VACANCY/COLLECTION LOSS	Minimum 5% economic vacancy assumption.