

FANNIE MAE DUS®

Near-Stabilization Execution

BENEFITS

- Ability to pay off construction loan and add permanent non-recourse financing prior to full stabilization.
- Competitive pricing.
- Certainty of execution.
- Speed in processing and underwriting.

ELIGIBILITY	<ul style="list-style-type: none"> • Conventional and Multifamily Affordable Housing Properties. • Partially leased, newly constructed or recently renovated communities. • Strong borrowers with demonstrated lease-up track record. • Properties in Strong and Nationwide markets. • Available on a Pre-Review basis.
LOAN SIZE	\$10 million or greater.
TERM	5, 7, 10, and 12 year term options are available.
AMORTIZATION	5 - 30 years.
INTEREST RATE	Fixed- and variable-rate options available.
MAXIMUM LTV	Maximum LTV shall be Tier compliant. For a Tier 2 level – 75% of “as stabilized” loan-to-value.
MINIMUM DSCR	<p>Minimum DSCR shall be Tier compliant. For a Tier 2 level – Underwritten DSCR of 1.25x, 1.15x for MAH loans.</p> <p>Underwritten DSCR is defined as DSCR as deemed achievable within 4 months after rate lock and at Fannie Mae’s discretion.</p>
INTEREST ONLY	Monthly payments of interest only for the first 12 months of the loan term, based on the actual interest rate. An additional period of interest-only payments may be available.
PROPERTY CONSIDERATIONS	<p>Minimum physical occupancy of 75% at rate lock. MBS Additional Disclosure is required.</p> <p>Full disbursement of loan proceeds at closing.</p>
PREPAYMENT AVAILABILITY	Flexible prepayment options available, including yield maintenance and declining prepayment premium.
RATE LOCK	30- to 120-day commitments. Borrowers may lock a rate with 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	Replacement reserve, tax, and insurance escrows are typically required.
THIRD-PARTY REPORTS	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
ASSUMPTION	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.