

## 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.

<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>· Conventional and Multifamily Affordable Housing Properties.</li> <li>· Partially leased, newly constructed or recently renovated communities.</li> <li>· Strong borrowers with demonstrated lease-up track record.</li> <li>· Properties in Strong and Nationwide markets.</li> <li>· Available on a Pre-Review basis.</li> </ul>
<b>LOAN SIZE</b>	\$10 million or greater.
<b>TERM</b>	5, 7, 10, and 12 year term options are available.
<b>AMORTIZATION</b>	5 - 30 years.
<b>INTEREST RATE</b>	Fixed- and variable-rate options available.
<b>MAXIMUM LTV</b>	Maximum LTV shall be Tier compliant. For a Tier 2 level – 75% of “as stabilized” loan-to-value.
<b>MINIMUM DSCR</b>	<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>
<b>INTEREST ONLY</b>	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.
<b>PROPERTY CONSIDERATIONS</b>	<p>Minimum physical occupancy of 75% at rate lock. MBS Additional Disclosure is required.</p> <p>Full disbursement of loan proceeds at closing.</p>
<b>PREPAYMENT AVAILABILITY</b>	Flexible prepayment options available, including yield maintenance and declining prepayment premium.
<b>RATE LOCK</b>	30- to 120-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option.
<b>ACCRUAL</b>	30/360 and Actual/360.
<b>RECOURSE</b>	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.
<b>ESCROWS</b>	Replacement reserve, tax, and insurance escrows are typically required.
<b>THIRD-PARTY REPORTS</b>	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
<b>ASSUMPTION</b>	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.