

## FANNIE MAE DUS®

# Affordable Housing Preservation

### BENEFITS

- Flexible underwriting to specific affordable developments.
- Competitive pricing.
- Flexible loan terms, and fixed- or variable-rate financing options.
- Certainty and speed of execution.

<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• Expiring Low-Income Housing Tax Credit deals.</li> <li>• Refinancing of existing tax-exempt bond deals.</li> <li>• Properties eligible for the Rental Assistance Demonstration (RAD) program.</li> <li>• Properties with HUD Section 8 HAP Contracts.</li> <li>• Properties with existing Rural Housing Service (RHS) Section 515 loans.</li> <li>• Loans insured under Sections 202 or 236 of the National Housing Act.</li> </ul>
<b>TERM</b>	5 - 30 years.
<b>AMORTIZATION</b>	Up to 35 years.
<b>INTEREST RATE</b>	Fixed- and variable-rate options available.
<b>MAXIMUM LTV</b>	80%.
<b>MINIMUM DSCR</b>	1.20x (fixed-rate).
<b>PROPERTY CONSIDERATIONS</b>	<p>Low-income qualifying restrictions required and must be recorded:</p> <ul style="list-style-type: none"> <li>• 20% or more units rented to families earning at or below 50% of Area Median Income (AMI);</li> <li>• 40% or more units rented to families earning at or below 60% of AMI; or</li> <li>• Project-Based Housing Assistance Payments contract (Section 8) covering 20% or more units.</li> </ul>
<b>SUPPLEMENTAL FINANCING</b>	Supplemental Loans are available.
<b>PREPAYMENT AVAILABILITY</b>	Flexible prepayment options available, including yield maintenance and declining prepayment premium.
<b>RATE LOCK</b>	30- to 180-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option.
<b>ACCRUAL</b>	30/360 and Actual/360.
<b>THIRD-PARTY SUBORDINATE FINANCING</b>	Hard subordinate debt (which requires scheduled repayment of principal) is permitted only if provided by a public, quasi-public, or not-for-profit lender and combined debt service coverage cannot fall below 1.05x. Soft subordinate debt is permitted subject to requirements which include capping payments at 75% of available Property cash flow after payment of senior liens and Property operating expenses.
<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.