

FANNIE MAE DUS®

Cooperative Properties

Fannie Mae Multifamily provides financing options for properties owned by a Cooperative Organization, which is a corporation or other legal entity where each shareholder or equity owner is granted the right to occupy a unit in a multifamily residential property under a proprietary lease or occupancy agreement.

BENEFITS

- Flexible loan terms.
- Certainty and speed of execution.
- Competitive pricing.
- Customized solutions.

ELIGIBILITY	<ul style="list-style-type: none"> • Existing stabilized Cooperative Properties in eligible Cooperative Property markets. • Cooperative corporations with strong management and solid operating history. • Limited equity cooperative properties for low- and moderate-income families are also eligible. • Overall Property condition rating of two or better.
TERM	5 - 30 years.
AMORTIZATION	Up to 30 years.
INTEREST RATE	Fixed-rate.
MAXIMUM LTV	55% (on a market rental basis).
MINIMUM DSCR	1.0x on actual underwritten operations; 1.55x when utilizing market rate rentals.
PROPERTY CONSIDERATIONS	<p>The property management company is required to have experience with cooperative properties of like size and market.</p> <p>Reserve balance must be equal to or greater than 10% of annual maintenance fees.</p> <p>Maintenance fees must be sufficient to achieve a balanced budget.</p> <p>High levels of ownership by one sponsor or investor (in excess of 40%) will require additional due diligence.</p>
SUPPLEMENTAL FINANCING	Supplemental Mortgage Loans are available.
PREPAYMENT AVAILABILITY	Loans may be voluntarily prepaid upon payment of yield maintenance.
RATE LOCK	30- to 180- day commitments. Borrowers may lock a rate using the Streamlined Rate Lock option.
RECOURSE	Non-recourse execution is available with standard carve-outs for “bad acts” such as fraud and bankruptcy.
ESCROWS	Replacement reserve, tax, and insurance escrows may be required, depending on the Underwriting Tier. Escrows are typically required for a Limited Equity Cooperative Property.
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.

For more information, please contact:

In its prequalifying review, Lument will attempt to estimate both the loan amount and the fees and costs associated with the transaction. Actual loan amounts and actual fees and expenses may vary from the prequalifying estimates. A prequalifying estimate is not a commitment to make a loan.

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