

FANNIE MAE®

Credit Facility

Learn about the Credit Facility execution that allows borrowers to arrange flexible financing terms for a portfolio of properties.

BENEFITS

- MBS execution that allows ultimate flexibility in portfolio management.
- Allows opportunistic sale or release of properties.
- Expansion feature allows easy addition of properties.
- Recognize portfolio improvements with first lien borrow-ups.
- Retain favorable interest rates with property substitutions.
- Ladder maturities with multiple tranches of debt.
- Pre-negotiated loan documents provide for certainty of execution and fast closings for facility expansions.

ELIGIBILITY	<ul style="list-style-type: none"> • New or repeat Fannie Mae Borrowers. • Available for all asset classes.
CREDIT FACILITY SIZE	Minimum initial advance of \$100 million with unlimited expansion capacity.
TERM	Flexible Credit Facility and loan terms. Generally, Credit Facility term exceeds initial loan terms by 5 years.
INTEREST RATE	Fixed, variable, or a combination of fixed and variable tranches. Variable-rate advances may be converted to fixed-rate. An Interest Rate Cap or other Interest Rate Hedge is generally required for variable-rate advances.
AMORTIZATION	Interest-only and amortizing available, based upon property and pool performance.
MAXIMUM LTV	Up to 75%, depending upon asset class and product type. Credit Facilities that only include Multifamily Affordable Housing Properties allow up to 80%.
MINIMUM DSCR	Generally starting at 1.25x depending upon asset Class and product type. Multifamily Affordable Housing Properties may start at 1.20x.
STRUCTURING OPTIONS/ FEATURES	<ul style="list-style-type: none"> • No rebalancing required. • No unused capacity fees. <p>All structuring options/features subject to the terms of the Master Credit Facility Agreement.</p>
PREPAYMENT AVAILABILITY	Flexible prepayment options available, including partially pre-payable debt, yield maintenance and declining prepayment premium.
BORROWER ENTITY	A single purpose, bankruptcy-remote entity is required for each borrower and any general partner, managing member, or sole member that is an entity. Borrowers must have common sponsorship.
RATE LOCK	30- to 180-day commitments.
TIMING OF RATE LOCK AND CLOSING	The timeframes for Rate Lock and closing are subject to the number of properties, property-specific issues, locations, complexity of ownership issues, complexity of closing or execution requirements, and the level of document negotiation. The minimum closing timeframe for a new Credit Facility is 60 days from signed term sheet/ loan application.
RECOURSE	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.

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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ESCROWS	Replacement reserve, tax, and insurance escrows are determined based on the merits of the transaction.
THIRD-PARTY REPORTS	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
ASSUMPTION	Assumption of the entire facility is permitted upon satisfaction of the requirements of the Master Credit Facility Agreement.
