

FANNIE MAE DUS®

Reduced Occupancy Affordable Rehab (ROAR)

Permanent mortgage loan financing for Multifamily Affordable Housing (MAH) Properties in need of renovations, eliminating the need for a construction loan.

BENEFITS

- Flexible permanent loan solution that allows the sponsor to rehabilitate more efficiently.
- Eliminates need for a construction loan or forward commitment.
- Increased leverage opportunities when underwritten to as-improved rents.
- Interest only during rehab period.

ELIGIBILITY	<ul style="list-style-type: none"> • Existing, stabilized Multifamily Affordable Housing properties undergoing renovations. • Borrowers and Lenders with demonstrated experience. • Available for both acquisition and refinance.
TERM	5 - 30 years.
AMORTIZATION	Up to 35 years.
INTEREST RATE	Fixed- and variable-rate options. Variable-rate only available for a Credit Enhancement Mortgage Loan for a bond transaction.
MAXIMUM LTV	Up to 90% "as stabilized".
MINIMUM DSCR	1.15x – 1.20x "as stabilized".
EXECUTION	Cash or Credit Enhancement Mortgage Loan for a bond transaction. Interest only available, structured to match the rehab period.
LOAN SIZE	\$5,000,000 minimum; no maximum.
ELIGIBLE PROPERTIES	Stabilized Multifamily Affordable Housing properties undergoing renovations up to \$120,000 per unit.
ELIGIBLE BORROWERS	Strong borrowers with demonstrated tenant-in place rehab track record.
RATE LOCK	30- to 180-day commitments.
PREPAYMENT AVAILABILITY	Flexible prepayment options available, including yield maintenance and declining prepayment premium.
REHAB PERIOD	12 – 15 months.
REHAB PERIOD OCCUPANCY	During the rehabilitation period occupancy may drop from stabilized levels to a minimum of 50%.
REHAB PERIOD – DSCR	During the rehabilitation period, DSCR may drop from stabilized levels to a minimum of: <ul style="list-style-type: none"> • 1.0x (Interest-only basis). • 0.75x (Amortizing basis).
REHAB ESCROW	Rehab funds escrowed by Lender.
RE-STABILIZATION	Fully stabilized no later than 15 months after Mortgage Loan origination.
FANNIE MAE UW FEE	3 bps.
RECOURSE	Non-recourse execution with standard carve-outs for "bad acts" such as fraud and bankruptcy. Construction Completion and Operating Deficit Guarantees required during the rehab and stabilization period.

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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