

FANNIE MAE DUS®

Supplemental Loans

Learn about our subordinate financing options for multifamily properties with an existing Fannie Mae Mortgage Loan.

BENEFITS

- Lower cost than refinancing.
- Access to additional capital.
- Flexible loan terms.
- Competitive pricing.
- Certainty of execution.
- Speed in processing and underwriting.

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| ELIGIBILITY | <ul style="list-style-type: none"> • Stabilized Conventional properties, Multifamily Affordable Housing Properties, Seniors Housing Properties, Student Housing Properties, and Manufactured Housing Communities. • Existing Fannie Mae fixed-rate or adjustable-rate mortgage loans. • Bond Credit Enhancement transactions are eligible with prior approval of Fannie Mae. • Lender must be the servicer of the existing Fannie Mae Mortgage Loan. • Fannie Mae must be the only debt holder on the property. |
| TERM | 5 - 30 years. |
| AMORTIZATION | Up to 30 years. |
| INTEREST RATE | Fixed- and variable-rate options available. |
| MAXIMUM LTV | As high as 75%, depending upon asset class and use of proceeds. |
| MINIMUM DSCR | As low as 1.30x, depending upon asset class and use of proceeds. |
| SUPPLEMENTAL LOAN TIMING | Supplemental Loans are available 12 months after the closing of the senior Fannie Mae Mortgage Loan. |
| PREPAYMENT AVAILABILITY | Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate loans and graduated prepayment for variable-rate loans. |
| RATE LOCK | 30- to 180-day commitments. Borrower may lock the rate with Streamlined Rate Lock option. |
| MATURITY | Supplemental Loans can be either coterminous with the underlying senior loan, or non-coterminous. |
| ACCRUAL | 30/360 and Actual/360. |
| 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 are typically required, based on the resulting Tier of the combined Pre-Existing Mortgage Loan and Supplemental Mortgage Loan. |
| THIRD PARTY REPORTS | Standard third-party reports, including Appraisal, Phase I Environmental Assessment, and a Property Condition Assessment, may not be required, if certain conditions are met. |
| ASSUMPTION | Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience. |