

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.

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.

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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