

## FANNIE MAE DUS®

# MBS Exchange (Taxable Forward)

### BENEFITS

- Low borrowing cost, “AA+” rating keeps the interest rates on bonds low.
- Supports affordable rental housing stock.
- Flexible structures.
- Certainty and speed of execution.

ELIGIBILITY	<ul style="list-style-type: none"> <li>• Multifamily Affordable Housing properties.</li> <li>• New money issues, refundings, or credit substitutions.</li> <li>• Non-LIHTC transactions.</li> </ul>
FORWARD PERIOD	30-to-36-month commitments. Two delegated sixmonth extensions available.
TERM	10 – 15 years.
AMORTIZATION	Up to 30 years. <sup>1</sup>
INTEREST RATE	Fixed- and variable-rate options available.
MAXIMUM LTV	<ul style="list-style-type: none"> <li>• 80% for properties with at least 20% of the units at 50% AMI or below; or</li> <li>• 40% of units at 60% AMI or below including rent and income restrictions; or</li> <li>• 80% for all others.</li> </ul>
MINIMUM DSCR	<ul style="list-style-type: none"> <li>• 1.20x for properties with at least 20% of the units at 50% AMI or below; or</li> <li>• 40% of units at 60% AMI or below including rent and income restrictions; or</li> <li>• 1.25x for all others.</li> </ul>
EXTENSION ELIGIBILITY & FEES	<p>One or two six-month extensions are delegated to the lender, determined at loan origination. For each extension contemplated in the Forward Commitment, the fee is:</p> <ul style="list-style-type: none"> <li>• per the Forward Commitment; and</li> <li>• due when Fannie Mae processes the extension.</li> </ul>
PREPAYMENT AVAILABILITY	Flexible prepayment options available, including yield maintenance and declining prepayment premium.
RESTRICTIONS	LURA or other publicly required affordability including rent and income restrictions (i.e., through zoning, tax abatements, or public facility corporation status).
MINIMUM RENT ADVANTAGE	Affordable rents should be at least 10% below market.
MBS EXECUTION	Bondholder will serve as the MBS investor after the exchange.
PREMIUM	Permitted up to 3% at sale of bonds, to be used only to offset negative arbitrage or bond issuance costs. The Guaranty Fee will be assessed a –3- basis point adder for up to 2% premium; or an additional 3 basis point adder for >2% up to 3% premium.
SPONSOR	Repeat sponsors with relevant experience in developing, owning, and operating workforce housing property type.
GOOD FAITH DEPOSIT	2% of the amount of the Forward Commitment, due at issuance of the Forward Commitment, and refundable upon conversion to the permanent Mortgage Loan.
ELIGIBLE MARKETS	Strong or Eligible MSAs or major Nationwide.
STANDBY FEE	25 basis points per year.

For important disclosures about Lument and the information found in this term sheet [click here](#).

<b>ISSUER &amp; TRUSTEE FEES</b>	<p>Loan sizing must include underwriting of the Issuer Fees; however, the fees will be paid directly by borrower and are not enhanced or passed through by Fannie Mae.</p> <p>There are no Trustee fees as the bonds are redeemed and replaced with an MBS.</p>
<b>THIRD-PARTY SUBORDINATE FINANCING</b>	<p>Hard subordinate debt (which requires scheduled repayment of principal) is permitted only if provided by a public, quasi-public, or not-for-profit lender and combined debt service coverage cannot fall below 1.05x. Soft subordinate debt is permitted subject to requirements which include capping payments at 75% of available Property cash flow after payment of senior liens and Property operating expenses.</p>
<b>RECOURSE</b>	<p>Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.</p>
<b>ESCROWS</b>	<p>Replacement reserve, tax, and insurance escrows are required.</p>
<b>THIRD-PARTY REPORTS</b>	<p>Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.</p>
<b>DELIVERY TOLERANCE</b>	<p>The original principal amount of the permanent Mortgage Loan must not be (i) greater than 105% or (ii) less than 90% of the amount of the Unfunded Forward Commitment.</p>

<sup>1</sup>Adjustments may be made depending on the property, product, or market.