

FANNIE MAE AFFORDABLE HOUSING PRESERVATION

Fannie Mae Multifamily provides options for preserving the availability and affordability of subsidized rental housing for low-income renters. Fannie Mae can offer long-term financing or refinancing solutions for stabilized rental properties with rent and income restrictions.

TERM	5 to 30 years.	ELIGIBILITY <ul style="list-style-type: none"> • Expiring Low-Income Housing Tax Credit deals • Refinancing of existing tax-exempt bond deals • Properties eligible for the Rental Assistance Demonstration (RAD) program • Properties with HUD Section 8 HAP Contracts • Properties with existing Rural Housing Service (RHS) Section 515 loans • Loans insured under Sections 202 or 236 of the National Housing Act
AMORTIZATION	Up to 35 years.	
INTEREST RATE	Fixed- and variable-rate options are available.	
MAXIMUM LTV	80%	
MINIMUM DSCR	1.20x (fixed-rate).	
PROPERTY CONSIDERATIONS	Low-income qualifying restrictions required and must be recorded: <ul style="list-style-type: none"> • 20% or more units rented to families earning at or below 50% of Area Median Income (AMI); • 40% or more units rented to families earning at or below 60% of AMI; or • Project-Based Housing Assistance Payments contract (Section 8) covering 20% or more units. 	
SUPPLEMENTAL FINANCING	Supplemental Loans are available.	BENEFITS <ul style="list-style-type: none"> • Flexible underwriting to specific affordable developments • Competitive pricing • Flexible loan terms, and fixed- or variable-rate financing options • Certainty and speed of execution
PREPAYMENT AVAILABILITY	Flexible prepayment options available, including yield maintenance and declining prepayment premium.	
RATE LOCK	30- to 180-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option.	
ACCRUAL	30/360 and Actual/360.	
THIRD-PARTY SUBORDINATE FINANCING	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.	
RECOURSE	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.	
ESCROWS	Replacement reserve, tax, and insurance escrows are typically required.	
THIRD-PARTY REPORTS	Standard third-party reports, including Appraisal, Phase I Environmental Assessment and a Property Condition Assessment, are required.	
ASSUMPTION	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.	