

Fannie Mae Bond Credit Enhancement Loan

GREYSTONE

Description

Bond Credit Enhancement for tax-exempt bonds issued to finance the acquisition, new construction, refinancing or moderate to substantial rehabilitation of multifamily properties.

Loan Terms

10 to 30 years (minimum 15 years for new construction and substantial rehabilitation).

Amortization

Up to 35 years

Loan to Value

Up to 90% for 4% LIHTC properties with at least 90% of the units meeting affordability requirements.

Up to 85% for 4% LIHTC properties with less than 90% of the units meeting affordability requirements.

Up to 80% for refundings.

Debt Service Coverage

1.15x minimum for 4% LIHTC properties with 90% of units meeting affordability requirements.

1.20x minimum for all others.

Subordinate Debt

Permitted subject to non-negotiated Fannie Mae subordination agreements. Subordinate lenders may be Public / Quasi-Public / Not-for-Profit Lenders or Private Lenders. Any subordinate financing originated by a private, for-profit Lender must be Soft Financing.

Recourse

Non-recourse standard carve-out provisions required.

Escrows

Escrows for taxes, insurance, and replacement reserves.

Third Party Reports

MAI appraisal, Physical Needs Assessment, Environmental Phase I, Zoning, and Moisture Management reports are required; Seismic Report may be required.

Application and Due Diligence Fees

- \$20,000 collected with execution of loan application to cover costs of appraisal, Phase I environmental study, engineering report or other consultants' reports, travel expenses, credit reports, a non-refundable \$2,500 processing fee, any additional third-party expenses, and a \$2,500 initial deposit for legal expenses.
- 0.1% fee to Fannie Mae collected with execution of loan application.

Origination Fee

Minimum origination fees will vary depending on the loan characteristics.

Legal Fees

Varying with characteristics of the deal.

Timing

Timing is dependent on the type of credit enhancement, status of bonds, 3rd party report timing and Greystone's timely receipt of due diligence.

Additional Considerations

Fannie Mae will issue the Credit Enhancement Instrument in accordance with the terms of a Reimbursement Agreement between the borrower and Fannie Mae, among other documents.

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