Fannie Mae DUS® Bond Credit Enhancement Loan



Description

Fannie Mae provides credit enhancement for tax-exempt multifamily housing revenue bonds that have low- and moderate-income occupancy restrictions; Fixed rate bonds can be enhanced; Enhancement is rated AA, and can be used in either a new bond issuance, "Refunding," or a "Credit Substitution"

Loan Amount Minimum

\$5,000,000

Loan Terms

10 to 30 years

Amortization

Up to 35 years

Loan to Value Maximum

The greater of 90% of market value or 80% of adjusted value for properties with LIHTC units equal to or above 90%; the greater of 85% of market value or 75% of adjusted value for all others

Coverage Minimum

1.15x for properties with LIHTC units equal to or above 90%; 1.20x for all others

Borrower

Domestic single asset borrowing entity is required

Interest Rate

Risk-based pricing, varies with LTV and DSC ratios

Third Party Reports

MAI appraisal, Physical Needs Assessment, and Environmental Phase I Assessment are required for all deals; Seismic Report is required for properties in Seismic Zone 3 or 4 with other characteristics; A market study may also be required

Reserves

Tax and insurance escrows are required; Repair and Replacement escrow funding is required based on engineer's Physical Needs Assessment; For loans at less than 65% of value with no deferred maintenance, funding of repair and replacement reserve can be waived, at lender's discretion

Fannie Mae DUS® Bond Credit Enhancement Loan



Application and Due Diligence Fees

- \$2,500 non-refundable Application Fee to cover internal underwriting costs;
- \$12,500 Due Diligence Fee to cover third party reporting

Origination Fee

Fannie Mae requires minimum origination fee equal to one percent of loan amount; can be reduced for loans over \$9 million

Timing

Timing is dependent on type of credit enhancement, status of bonds, 3rd party report timing and borrower's submission of due diligence

© 2024 Greystone & Co. II LLC. All rights reserved. References to the term "Greystone," refer to Greystone & Co. II LLC and/or its affiliated companies, as applicable. Loans are offered through Greystone Funding Company LLC, Greystone Servicing Company LLC, and/or other Greystone affiliated companies. The information contained herein does not set forth all of the terms and conditions of any interim or permanent financing. The information contained herein is subject to change and Greystone assumes no duty to update such information. Any commitment by Greystone is contingent upon the completion of due diligence and approval by Greystone's credit committee. 0424