

# Fannie Mae Multifamily Affordable Housing (“MAH”) Preservation Loan

GREYSTONE

## Description

Permanent financing for the acquisition or refinance of stabilized multifamily rental properties.

## Eligible Transactions

Multifamily stabilized properties with one or more of the following affordable characteristics:

- 20% @ 50%: at least 20% of all units have rent or income restrictions in place making them affordable to households earning no more than 50% of AMI as adjusted for family size.
- 40% @ 60%: at least 40% of all units have rent or income restrictions in place making them affordable to households earning no more than 60% of AMI as adjusted for family size.
- Section 8 HAP contract: at least 20% of all units are subject to a project-based HAP contract.
- Properties that meet the requirements of Special Public Purpose (described below) may be eligible for Preservation loan terms (contact your Greystone representative for more details).
  - The Property is subject to an Affordable Regulatory Agreement imposed by a government entity, containing other rent and/or income restrictions,
  - has rent or income restrictions that meet or exceed 20% @ 80%: at least 20% of all units have rent or income restrictions in place making them affordable to households earning no more than 80% of AMI as adjusted for family size, and
  - meets a noteworthy special public purpose.

## Loan Type

Fixed or Floating

## Loan Term

5 to 30 years

## Amortization

Up to 35 years

## Loan-to-Value

Up to 80% of market value

## Debt Service Coverage

1.20x Minimum

1.25x Minimum for Special Public Purpose loans

## Interest Rate

Risk-based pricing, varying with LTV, DSC ratios and cash out components.

## Prepayment Types

- Fixed-rate Loans – Declining Schedule, Yield Maintenance.
- Floating-rate Loans – 1-year Lockout followed by 1% or declining Schedule.

## **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**

60-75 days from application to commitment, dependent on 3rd party report timing and Greystone's timely receipt of due diligence.

## **Rate Lock**

Rate lock occurs after commitment is issued.

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