

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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