

Fannie Mae DUS[®] Multifamily Affordable Housing (“MAH”) Preservation – Fixed Rate Loan

GREYSTONE

Greystone Affordable Housing

Description

Non-recourse, fixed rate financing for the acquisition or refinance of stabilized multifamily rental properties that meet Fannie Mae’s definition of Affordable Housing.

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 (except for New York City, where at least 25% 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.
- Self-Imposed Restrictions: Even though a government entity generally imposes rent or income restrictions, the Borrower may voluntarily self-impose such restrictions to preserve multifamily affordable housing. These restrictions must:
 - ▶ be placed on record against the Property;
 - ▶ remain in place beyond the Mortgage Loan Maturity Date; and
 - ▶ be monitored by you or a government entity annually to ensure the Property’s compliance.

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).

- Special Public Purpose:
 - ▶ 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.

Markets

Nationwide

Loan Amount

Minimum \$3 million. No maximum

Loan Purpose

Acquisition or Refinance

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Loan Terms

From five to 30 years (up to 30 years Amortization).

Fixed- and Floating-Rate Amortizing DCRs and LTV Ratios

LTV and DCR requirements vary based on the tier (leverage level) of the loan. To determine tier, please consult with your Greystone representative.

	Maximum Amortizing DCR	Maximum LTV
Tier 2	1.20x*	80%**
Tier 3	1.30x	70%
Tier 4	1.50x	60%

* 1.25x required for Special Public Purpose

** 75% LTV for cash out transactions.

Interest-Only

Partial-term interest-only; full-term interest-only may be available

Prepayment Types

Fixed-Rate Loans – Defeasance, 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.

Eligible Borrowing Entities

The following borrower structures are permitted:

- Single Asset Entity (SAE)
- Special Purpose Entity (SPE)
- Irrevocable Trust
- Tenants in Common (“TIC”)

All Borrowers must have experience operating an MAH multifamily property

Net Worth and Liquidity

Generally, Net Worth should be equal to the loan amount and Liquidity equal to 10% of the loan amount.

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Recourse

Non-recourse with standard carve-out provisions required

Escrows

Escrows for taxes, insurance, and replacement reserves are required but may be waived for lower leveraged assets.

Third Party Reports

Standard third party reports apply.

Fees

Contact Greystone for an estimate of loan costs and fees.