

Fannie Mae Unfunded Forward Multifamily Affordable Housing Loan

GREYSTONE

Description

Fannie Mae provides a 24- to 30-month forward commitment with or without rate lock prior to delivery of the permanent loan

Property Type

Multifamily; new construction and rehabilitation

Loan Amount

Minimum \$1 million

Commitment Period

24- or 30-month forward period, with one 6-month extension available at Lender's discretion

Term

Up to 30 years

Amortization

30 years

Debt Service Coverage

Minimum 1.15x if LIHTC; 1.20x if other affordable

Loan to Value Maximum

90% if LIHTC; 80% if other affordable

Borrower

Domestic single asset borrowing entity is required

Interest Rate

Spread over applicable treasury as adjusted for loan term, amortization, DSC and LTV

Rate Lock

If applicable, rate lock typically occurs concurrently with construction loan closing at Borrower's request; Subject to loan committee approval

Guaranty

Non-recourse excluding customary carve-outs

Underwriting

Underwriting completed to Fannie Mae DUS standards; Organizational document review and credit due diligence applies

Conversion

Forward commitment converts to permanent loan when property reaches 90% occupancy for 90 days (minimum); Permanent loan amount may be changed based on NOI in place at time of underwriting, subject to applicable shortfall and/or breakage fees; Lender required to complete full underwriting in accordance with standard DUS Guide requirements prior to permanent loan closing

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 reports

Origination Fee

Fannie Mae requires a minimum origination fee equal to 1% of loan amount, can be reduced for loans over \$9 million; Origination fee can be charged "outside" of the interest rate as a separate fee, or it can be built into the rate

Fannie Mae Standby Fee

Determined by Fannie Mae prior to rate lock; Call for current quotes

Delivery Assurance

3% refundable deposit due prior to rate lock; 1% refundable deposit due if no rate lock option is selected

Other Costs

Borrower responsible for legal, Greystone monitoring and customary closing costs