

Fannie Mae Moderate Rehabilitation Supplemental Loan

GREYSTONE

Description

Non-recourse subordinate financing for multifamily properties that have completed at least \$8,000 per unit of rehabilitation work with a Mod Rehab first mortgage loan, with at least 60% of the budget allocated to interior improvements, within 36 months of the origination date.

Mod Rehab Supplemental Timing

The Mod Rehab Supplemental is excluded from the one Supplemental rule. There is no one-year waiting period like traditional supplementals; however, the Mod Rehab Supplemental must be originated within the first 36 months of the Mod Rehab first mortgage loan.

Loan Terms

5-30 years; It must be coterminous with the Senior Mortgage Loan

Loan to Value Maximum

As high as 75%, depending upon asset class and use of proceeds. May be higher for Multifamily Affordable Housing properties and assumptions.

Coverage Minimum

As low as 1.25x, depending upon asset class and use of proceeds. May be lower for Multifamily Affordable Housing properties.

Interest Rate

Fixed and variable rate options available with consideration of interest rate type on Senior Mortgage Loan

Prepayment

Typically coterminous and identical to Senior Mortgage Loan

Third Party Reports

MAI Appraisal, Zoning Report, Physical Needs Assessment, and Environmental Phase I Assessment

Escrows

Tax, insurance, and replacement reserve escrows are required based on the resulting Tier of the combined first mortgage and the supplemental

Application Fee

\$15,000; covers third party reports and processing/underwriting costs

Legal Fees

\$20,000, varying with characteristics of the transaction

Rate Lock

30- to 180-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option

Assumability

Loan is assumable, subject to lender approval of proposed replacement borrower

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