

Description

Permanent mortgage loan financing for newly constructed or recently renovated conventional and affordable multifamily apartment communities expected to achieve stabilized occupancy within 120 days of rate locking

Eligibility

- Conventional and Multifamily Affordable Housing Properties
- Partially leased, newly constructed or recently renovated communities
- Strong borrowers with demonstrated lease-up track record
- Properties in Strong and Nationwide markets

Loan Size

\$10 million or greater

Term

5, 7, 10, and 12 year term options

Amortization

5-30 year amortization

Interest Rate

Fixed- and variable-rate interest rate options

Loan to Value and DSCR

- Maximum LTV shall be Tier compliant. For a Tier II level, 75% of “as-stabilized” LTV.
- Minimum DSCR shall be Tier compliant. For a Tier II level, Underwritten DSCR of 1.25x (1.15x for MAH).

Interest Only

Monthly payments of interest only for the first 12 months of the loan term, based on the actual interest rate. An additional period of interest-only payments may be available.

Property Considerations

Minimum physical occupancy of 75% and Economic Occupancy of 65% at rate lock. MBS Additional Disclosure is required. Full disbursement of loan proceeds at closing.

Prepayment Availability

Flexible prepayment options available, including yield maintenance and declining prepayment premium

Rate Lock

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

Accrual

30 / 360 and Actual / 360

Recourse

Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy

Escrows

Replacement reserve, tax, and insurance escrows are typically required

Third-Party Reports

Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment

Assumption

Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience