



## Affordable Housing Preservation

Fannie Mae’s Multifamily Mortgage Business provides options for preserving the availability and affordability of subsidized rental housing for low-income renters. Fannie Mae can offer long-term financing or refinancing solutions for stabilized rental properties with rent and income restrictions.

Overview	
<b>Term</b>	5 to 30 years.
<b>Amortization</b>	Up to 30 years.
<b>Maximum LTV</b>	80%.
<b>Minimum DSCR</b>	1.20x.
<b>Recourse</b>	Non-recourse execution is available, with standard carve-outs required for “bad acts”, such as fraud and bankruptcy.
<b>Escrows</b>	Replacement reserve, tax and insurance escrows are typically required.
<b>Third-Party Reports</b>	Standard third-party reports, including Appraisal, Phase I Environmental Assessment and a Property Condition Assessment, are required.
<b>Interest Rate</b>	Fixed and variable rate options are available.
<b>Rate Lock</b>	30- to 180-day commitments. An early rate lock feature is available with prior approval from Fannie Mae, allowing the borrower to lock a rate after preliminary underwriting.
<b>Assumption</b>	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.
<b>Prepayment Availability</b>	Loans may be voluntarily prepaid upon payment of yield maintenance for fixed rate loans and graduated prepayment for variable rate loans.
<b>Supplemental Financing</b>	Supplemental Loans are available, providing the opportunity for additional proceeds for communities in the final stages of lease-up or with expansion phases.
<b>Tenant Income Restrictions</b>	<p>Low-income qualifying restrictions (which Restriction must be recorded)</p> <ul style="list-style-type: none"> <li>▪ 20% or more units rented to families earning at or below 50% of Area Median Income (AMI);</li> <li>▪ 40% or more units rented to families earning at or below 60% of AMI; or</li> <li>▪ Project Based Housing Assistance Payments contract (Section 8) covering 20% or more units.</li> </ul>

### Benefits

- Flexible underwriting to specific affordable developments
- Competitive pricing
- Flexible loan terms, and fixed or variable rate financing options
- Certainty and speed of execution

### Eligibility

- Expiring Low Income Housing Tax Credit deals
- Refinancing of existing tax-exempt bond deals
- Properties with HUD Section 8 HAP Contracts
- Properties with existing Rural Housing Service (RHS) Section 515 loans
- Loans insured under Sections 202 or 236 of the National Housing Act

### For More Information

Contact a Fannie Mae representative or visit the [Multifamily Business Portal](#) for details.