

Moderate Rehabilitation Supplemental Loan



So you've just renovated your Multifamily property and now you'd like to access some of its new equity? We've got just the thing.

Moderate Rehabilitation (Mod Rehab) financing, paired with our new Moderate Rehabilitation Supplemental Loan, gives you the option to take advantage of the increased value created through the renovation of your Multifamily property. Any existing Fannie Mae Mod Rehab Loan — where the rehab has been completed within 36 months of 1st lien origination and amounts to at least \$10,000 per unit — may qualify for our new Moderate Rehabilitation Supplemental Loan. With a Mod Rehab Supplemental Loan, you get instant access to equity that might otherwise be trapped in your new renovation.

Secure funding following your renovation on your terms, when you are ready, with certainty of execution, speed, and the flexibility of our single-asset security.

Profitable and certain

- This is an additional supplemental loan – does not count against Fannie Mae's one supplemental rule
- Loan sizing and pricing comparable to the first trust mortgage
- Speed in processing and underwriting; No one year lockout like standard supplemental loans
- Instant access to increased equity

Rely on us

- Our single-asset security allows for customized loan structures
- Delegated risk-sharing model provides certainty of execution, faster decisions, and quicker loan closings
- Experts who know the business and understand complex transactions
- Life-of-loan servicing means no other master or special servicer and seamless post-closing activities

Contact a Fannie Mae representative to learn more about how our financing solutions can help you compete.



How Does it Work?

Our Moderate Rehabilitation execution is designed for borrowers interested in improving their property’s physical condition and operating performance through property enhancements. Qualifying is a simple 2 step process — include the estimated cost of all completed repairs during the underwriting process, if that amount exceeds \$10k per unit, you may be eligible for a Mod Rehab Loan. And, once your property has been designated Mod Rehab, you’re eligible to apply for our new Mod Rehab Supplemental.

Step 1

Fannie Mae Moderate Rehabilitation

Improvements	Any property improvements amounting to \$10,000 per unit or greater
Types of Property Enhancements	Aggregate repairs, replacements, or improvements (including immediate repairs) required at the property
Rehabilitation Restriction	Must be completed within 36 months of Mortgage Loan Origination Date
Asset Class	All Asset Classes are supported
Underwriting	The amount of rehab per unit is based on total number of residential units, rather than the number of units being rehabilitated
Delegation	Rehabilitation between \$10,000 and \$20,000 per unit can be delegated; greater than \$20,000 per unit is Pre-Review

Step 2

Fannie Mae Moderate Rehabilitation Supplemental Loan

Eligible properties	Existing Fannie Mae fixed- or adjustable-rate loans within 36 months of acquisition of the Mod Rehab eligible first mortgage loan.
Term	5-30 years, to coincide with terms of initial loan
LTV	Up to 75% depending on asset class and use of proceeds
Minimum DSCR	1.25x depending on asset class and use of proceeds
Delegation	Yes
Loan Timing	Within 36 months of acquisition of the Mod Rehab first mortgage loan. No one-year waiting period
Tier Dropping	Allowed, subject to Fannie Mae approval
Interest Rate	Fixed or variable