

## Standard FHA Risk Sharing Execution

The Standard FHA Risk Sharing execution for Multifamily Affordable Housing (MAH) transactions provides better pricing for Borrowers while retaining the ease of working with their Fannie Mae Lender. MBS and Credit Enhancement Mortgage Loan for bond executions are available.



<b>Loan Amount</b>	No minimum or maximum; however, loans over \$50 million require HUD consent.
<b>Term</b>	15 – 40 years.
<b>Amortization</b>	Up to 40 years; 30 years for balloon structures.
<b>Interest Rate</b>	Fixed-rate.
<b>Maximum LTV</b>	Up to 90% “as stabilized.”
<b>Minimum DSCR</b>	1.15x – 1.20x “as stabilized.”
<b>Property Considerations</b>	The rent and income restrictions applicable to the property must remain in effect for at least the term of the Mortgage loan.
<b>Rate Lock</b>	30- to 180-day commitments.
<b>Prepayment Availability</b>	Flexible prepayment options available.

### Benefits

- Highly competitive pricing for MAH transactions.
- Certainty and speed of execution
- One stop customer service—borrowers only need to work with their Fannie Mae Lender who handles all HUD/FHA interactions

### Eligibility

- Multifamily Affordable Housing properties with income and rent restrictions effective the entire loan term
- Immediate and Forward Commitment executions

### For More Information

Contact a Fannie Mae representative or visit the Multifamily Affordable Loans Portal for details.

[fanniemaemultifamilyaffordable.com](http://fanniemaemultifamilyaffordable.com)



<p><b>Subsidy Layering Review</b></p>	<p>Some transactions will require a subsidy layering review by HUD (or in some cases, a state tax credit allocating agency), including:</p> <ul style="list-style-type: none"> <li>▪ new construction/substantial rehabilitation LIHTC transactions;</li> <li>▪ LIHTC transactions with credits still flowing to the property (less than 10 years old);</li> <li>▪ a transaction receiving new federal capital resources (e.g., new soft debt from a state or local government funded via HOME funds);</li> <li>▪ transactions with a project-based Section 8 HAP contract; and</li> <li>▪ transactions with an IRP contract.</li> </ul> <p>The Lender and Fannie Mae will coordinate HUD's review on behalf of the borrower. This review will occur simultaneously with the Lender's underwriting of the loan.</p>
<p><b>Recourse</b></p>	<p>Non-recourse execution with standard carve-outs for "bad acts" such as fraud and bankruptcy.</p>
<p><b>Escrows</b></p>	<p>Replacement reserve, tax, and insurance escrows are typically required.</p>
<p><b>Third-Party Reports</b></p>	<p>Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.</p>
<p><b>Assumption</b></p>	<p>Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience.</p>