Healthy Housing Rewards
Enhanced Resident Services
Improving the Health and Well-being of Residents in Affordable Housing Communities

Challenge: Funding resident services
A multifamily building owner plans to acquire a 100 unit affordable Seniors Housing property.

The owner plans to spend $70,000 to implement the following resident services tailored to seniors:
- On site health care coordination
- Healthy meal delivery programs and community gardening
- On site exercise classes
- Programs to reduce social isolation

Solution: Healthy Housing Rewards™
Fannie Mae’s Healthy Housing Rewards Enhanced Resident Services (ERS) pathway offers a reduced interest rate for borrowers that provide service-enriched Multifamily Affordable Housing that improves the health and stability of residents and the surrounding neighborhood. Amounts saved through a lower interest rate create a steady, reliable source of funds for resident services.

Benefits include:
- Fannie Mae pays for sponsor and property certification (up to a cost of $6,250 value)
- Lower interest rate (up to 30 bps)

Sample Deal
The property has 100% of units serving tenants at 60% AMI or less and a 100% senior population. The owner has budgeted $70,000 annually to provide resident services is seeking Healthy Housing Rewards.

Compare the deal with and without Healthy Housing Rewards

<table>
<thead>
<tr>
<th></th>
<th>Standard loan</th>
<th>Healthy Housing Rewards: Benefit from higher net cash flow over the life of the loan</th>
<th>Healthy Housing Rewards: Benefit from higher loan proceeds at origination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Size</td>
<td>$7,011,000</td>
<td>$7,011,000</td>
<td>$7,256,000</td>
</tr>
<tr>
<td>Annual Loan Payment</td>
<td>$441,600</td>
<td>$426,600</td>
<td>$441,600</td>
</tr>
<tr>
<td>Debt Service Coverage Ratio (DSCR)</td>
<td>1.20</td>
<td>1.24</td>
<td>1.20</td>
</tr>
<tr>
<td>Loan-to-Value (LTV)</td>
<td>77%</td>
<td>77%</td>
<td>80%</td>
</tr>
<tr>
<td>Healthy Housing Rewards Pricing Discount</td>
<td>N/A</td>
<td>30 basis points</td>
<td>30 basis points</td>
</tr>
<tr>
<td>Certification Costs Reimbursed</td>
<td>N/A</td>
<td>$6,250</td>
<td>$6,250</td>
</tr>
<tr>
<td>Benefit</td>
<td>N/A</td>
<td>$15,000/year in additional net cash flow</td>
<td>$245,000 in additional loan proceeds</td>
</tr>
</tbody>
</table>

This deal serves as an example. Not all deals will obtain the maximum benefits.

Process for Qualifying

At least 60% of units restricted to households at 60% of AMI and below

Borrower obtains CORES certification for its organization

Borrower obtains ERS certification for its property

DUS® lender provides certifications to Fannie Mae prior to rate lock

Both certifications are issued by Stewards of Affordable Housing for the Future (https://coresonline.org/)

About Healthy Housing Rewards™ – Research shows that certain building design elements and resident services have a measurable positive impact on the health and wellbeing of low-income renters. Fannie Mae’s Healthy Housing Rewards provides financial incentives for borrowers that incorporate health-promoting design features or resident services in their newly constructed or rehabilitated Multifamily Affordable rental properties. Borrowers can follow only one of two paths to qualify for discounted financing – Healthy Design or Enhanced Resident Services. (https://www.fanniemae.com/multifamily/healthy-housing-rewards)

DUS. The Loan We All Own

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