

Rural Development Guaranteed Rural Rental Housing Program

Fannie Mae Multifamily offers a permanent loan option for the construction, acquisition or rehabilitation of rural multifamily properties through the United States Department of Agriculture's (USDA) RD 538 program. The program is administered by the USDA's Office of Rural Development (RD) and originated through private lenders.



Term	25 - 40 years.
Amortization	25 - 40 years; fully amortizing or balloon structures permitted.
Interest Rate	Fixed-rate.
Maximum LTV	90% (Public Entities/Nonprofits up to 97% subject to Fannie Mae approval).
Minimum DSCR	1.15x.
Recourse	Lender recourse for losses not covered by RD's guaranty.
Affordability Restrictions	Project averaged rent capped at 30% of Area Median Income, adjusted for family size.
Property Considerations	Eligible Rural Areas are determined by USDA RD. RD loan application approved through the RD Notice of Funds Availability (NOFA) process. Refinance transactions are not eligible.

Benefits

- Mitigate loan losses with 90% USDA guaranty
- Certainty and speed of execution
- Flexible loan amortization terms

Eligibility

- Lenders approved by RD and Fannie Mae
- Preservation transactions with rent subsidies
- Minimum \$6,500 per unit rehabilitation required

For detailed information on the USDA RD 538 program, visit <http://www.rd.usda.gov/programs-services/multi-family-housing-loan-guarantees>

For More Information

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

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