Structured Transactions:
Sophisticated Solutions for Sophisticated Strategies

fanniemae.com/multifamily
What's your portfolio strategy?

Fannie Mae’s structured finance products are flexible, powerful financing tools that allow borrowers to manage debt across their multifamily portfolios. Credit Facilities and Bulk Deliveries offer a combination of variable- and fixed-rate debt with laddered maturities and flexible post-closing features, so borrowers can sell, acquire, and rehab properties as needed.

Our structured finance team can help you finance multifamily properties across all asset classes, including Market-Rate, Multifamily Affordable Housing, Seniors Housing, Student Housing, small properties of 5 to 50 units, Manufactured Housing Communities, and military housing. We work with a variety of borrowers — large and small, repeat and new — and we’d love to work with you to manage your portfolio to support your long-term goals.

Sophisticated Solutions

Leverage strong assets to lock in desirable terms for your entire portfolio: Our Credit Facilities are cross-collateralized, so you can use your best-performing assets to access attractive financing for your entire book.

Combine fixed- and floating-rate debt to optimize your debt strategy: Mix and match interest rate types and loan terms without having to tie debt to a specific property.

Buy and sell assets on your schedule: Grow your portfolio by adding new assets over time, and easily release assets from the facility when you choose, thanks to our flexible MBS.

Hold on to today’s low rates and avoid having to prepay just because you sell: Both Credit Facilities and Bulk Deliveries let you substitute properties easily, and even stagger substitutions if that’s what your strategy requires.

Manage your expenses without hidden costs: Never be forced to rebalance your portfolio by prepaying debt — and, unlike our competitors, we never charge an unused capacity fee.
Don't let your fixed-rate debt dictate your portfolio strategy

Our structured transactions provide flexibility to manage your complex and changing business plan the way you want. Other portfolio debt solutions simply can’t compete with the level of customization we offer.

Cross-collateralized Credit Facilities allow borrowers to:

- Ladder maturities with multiple tranches of debt with varying terms
- Combine fixed- and floating-rate debt
- Add, release, and substitute properties
- Re-lever the portfolio quickly with our unique first lien borrow-up feature
- Never rebalance the portfolio or pay an unused capacity fee
- Customize prepayment premiums

Our non-crossed Bulk Delivery offers many of the same features, including asset substitution.

Rely on us to help you accomplish your business goals

Free your equity!
Borrowers can easily tap into the equity in their portfolio by quickly re-levering their Credit Facilities with a borrow-up.

Structured Transactions Team L-R: Michael Winters, Jo Ann Carter, Dave Mohr, Kate Geraghty, and Emilio Allen

For 30 years, Fannie Mae Multifamily has served the secondary mortgage market as a reliable source of mortgage capital in every market, every day. We provide liquidity, stability, and affordability to the multifamily market in a disciplined fashion, while maintaining our credit standards and minimizing losses.

Whatever your business goals are, our dedicated team can help. We’ll listen to your business plan and develop a solution to meet your needs — and we’ll stay with you as your strategy evolves. Our seasoned team of real estate professionals has expertise that goes beyond structured finance. They are familiar with the full breadth of Fannie Mae Multifamily’s offerings, from Structured ARMs to Seniors Housing to Affordable to Market-Rate deals, in all 50 states.

When it’s time to craft the Master Credit Facility Agreement (MCFA), we’re with you every step of the way. We’ll work with borrower and lender counsel to reach the right solution for every borrower. The MCFA we design will align with your business needs to anticipate adding, releasing, and substituting properties so that minimal additional documentation is required. We also have a dedicated team of asset managers who will work with you to deliver seamless executions for collateral events.

Contact us today to find out more at mf_structured_transactions@fanniemae.com
**Anatomy of a Deal**

**Opportunity**
A large regional borrower with limited Fannie Mae experience has partnered with a large pension fund to acquire small portfolios. The initial acquisition is a portfolio of ten value-add, market-rate properties valued at $250 million and they intend to grow the partnership to $750 million over three years.

**Strategy**
The borrower expects to hold the majority of the assets for 7+ years, but needs the flexibility to sell certain assets in the first 36 months. Ideally, the borrower expects to seek additional financing when NOI improvements are realized.

**Solution**

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<thead>
<tr>
<th>12/11.5 Fixed-Rate</th>
<th>10/9.5 Fixed-Rate</th>
<th>10-year Structured ARM</th>
<th>7/5 Fixed-Rate</th>
<th>5/3 Fixed-Rate</th>
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<tbody>
<tr>
<td>Initial advance</td>
<td>Staggered substitution</td>
<td>Borrow-up</td>
<td>Release</td>
<td>Addition</td>
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**Result**
Because we matched the Credit Facility structure and features to the borrower’s strategy, they mitigated their exposure to interest rate risk and realized huge savings over the term of the facility.

**The Fannie Mae Advantage**
- No maximum facility amount
- No unused capacity
- No rebalancing
- No penalty fees for long-term debt

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Here's what borrowers are saying

Brookdale owns and operates a large number of senior living communities across the entire spectrum of product types in almost every state. We believe that Fannie Mae’s structured Credit Facility offers significant advantages in terms of flexibility and simplicity. We appreciate being able to have a single MCFA that applies consistently to a large pool of assets while making provisions for asset substitutions and additions, loan value reallocations, physical redevelopment, and borrow-ups.

— GEORGE HICKS
BROOKDALE SENIOR LIVING

We have utilized Fannie Mae’s Credit Facility product for over a decade. Its flexibility and creative structuring allows us to execute on our investment objectives with limited frictional cost. Coupled with the superior responsiveness and professionalism of the Fannie Mae team, the product is an important part of our secured debt strategy.

— BOB GARECHAN
EQUITY RESIDENTIAL

We look for opportunistic sales and acquisitions. The flexibility of Fannie Mae’s Credit Facility enables us to easily substitute assets so that we can keep our low interest rates in place and still acquire new assets or dispose of mature assets as opportunities arise. It’s a fantastic tool to have at our disposal.

— JOHN HARRELSON
ASPEN SQUARE MANAGEMENT, INC.

Our securitization platform is the best in the industry—and that matters to borrowers

Only Fannie Mae offers customized loan and prepayment terms, blending fixed- and variable-rate financing. Our Delegated Underwriting and Servicing (DUS®) model allows us to offer any loan size, fixed or variable rates, terms from 5 to 30 years, flexible yield maintenance, and customized prepayment periods through our DUS MBS. MBS backed by structured transactions have the added benefit of being partially pre-payable.

Our life-of-loan servicing relationship means that there is no third-party master servicer and no B-piece buyer. Fannie Mae services the loans with a comprehensive team that covers all facets and phases of the loan, so post-closing activities are seamless.
Powered by DUS, the industry's most innovative platform

Our multifamily business is executed primarily through the DUS Lender network and is the only proven risk-sharing model in the country. DUS Lenders are pre-approved and given the authority to underwrite and service loans that meet our standards. Rely on Fannie Mae Multifamily for:

- Certainty of execution, faster decisions, and quicker loan closings
- Experts who know the business and understand complex transactions
- Life-of-loan servicing
- Dedicated teams from origination to maturity

Structured by the numbers

22+ years in business
$24B+ book of business
$7B 2017 production

Note: data as of Q3 2017