## Tax-Exempt Bond Credit Enhancement

Fannie Mae Multifamily provides credit enhancement for tax-exempt bonds issued to finance the acquisition, new construction, refinancing, or moderate to substantial rehabilitation of multifamily properties.

### Term

| Term         | 10 - 30 years (minimum 15 years for new construction and substantial rehabilitation). |

### Amortization

| Amortization | Up to 35 years. |

### Interest Rate

| Interest Rate | Fixed-rate. |

### Maximum LTV

| Maximum LTV | 90% for 4% LIHTC properties with at least 90% of the units meeting affordability requirements. |
|            | 85% for 4% LIHTC properties with less than 90% of the units meeting affordability requirements. |
|            | 80% for refundings. |

### Minimum DSCR

| Minimum DSCR | 1.15x for 4% LIHTC properties with at least 90% of the units meeting affordability requirements. |
|             | 1.20x for 4% LIHTC properties with less than 90% of the units meeting affordability requirements and for refundings. |

### Prepayment Availability

| Prepayment Availability | Flexible prepayment options available. |

## Benefits

- Low borrowing cost, "AA+" rating keeps the interest rates on bonds low
- Supports affordable rental housing stock
- Flexible structures
- Certainty and speed of execution

## Eligibility

- Multifamily Affordable Housing (MAH) properties with 4% Low-Income Housing Tax Credit (LIHTC) rent restrictions
- New money issues, refundings, or credit substitutions

## For More Information

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

fannimaemultifamilyaffordable.com
### Third-Party Subordinate Financing

Hard subordinate debt (which requires scheduled repayment of principal) is permitted only if provided by a public, quasi-public, or not-for-profit lender and combined debt service coverage cannot fall below 1.05x. Soft subordinate debt is permitted subject to requirements which include capping payments at 75% of available Property cash flow after payment of senior liens and Property operating expenses.

### Recourse

Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.

### Escrows

Replacement reserve, tax, and insurance escrows are typically required.

### Third-Party Reports

Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.

### Additional Considerations

The Credit Enhancement Instrument issued by Fannie Mae is provided in accordance with the terms of a Reimbursement Agreement between the borrower and Fannie Mae, among other documents.