

## Unfunded Forward Commitment

Fannie Mae Multifamily offers an unfunded forward commitment to issue an MBS upon completion of construction and conversion to a permanent mortgage loan for multifamily affordable properties. The **MBS as Collateral for Tax-exempt Bonds (M.TEB)** execution is an available option for 4% LIHTC transactions.



### Overview

### 9% LIHTC

### 4% LIHTC (including 80/20s)

	9% LIHTC	4% LIHTC (including 80/20s)
<b>Interest Rate</b>	Fixed Rate.	Fixed or Variable Rate.
<b>Good Faith Deposit</b>	1% of the loan amount, due at issuance of the Forward Commitment, refundable upon conversion.	
<b>Forward Rate Lock</b>	24 or 30 month commitments. One delegated six-month extension available.	
<b>Forward Standby Fee</b>	<ul style="list-style-type: none"> <li>10 bps paid upfront prior to rate lock.</li> <li>5 bps for the 6 month extension.</li> </ul>	<ul style="list-style-type: none"> <li>15 bps <i>per year</i> paid upfront prior to rate lock.</li> <li>7.5 bps for the 6 month extension.</li> </ul>
<b>Delivery Tolerance</b>	+5% and -10% is available.	
<b>Conversion to Permanent Loan</b>	The permanent loan will close upon project completion with certificates of occupancy for all units and 90% occupancy for 90 consecutive days. The permanent loan must meet Fannie Mae's underwriting requirements.	

### Benefits

- Protection from interest rate volatility by locking the interest rate and other key provisions prior to construction
- Single asset security allows for customized loan structures
- Certainty and speed of execution
- M.TEB execution offers reimbursement of certain Costs of Issuance

### Eligibility

- LIHTC new construction and properties undergoing substantial rehabilitation, including preservation and rural transactions
- Lenders approved to deliver forward commitments under Fannie Mae's Multifamily Affordable Housing product line

### For More Information

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

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



**Permanent Loan Key Terms**

<b>Additional Considerations</b>	Second lien Delivery Assurance Note and Mortgage are necessary if required by Fannie Mae or the Bond Investor.	During the construction phase, the M.TEB execution requires the bonds to be cash collateralized with proceeds of a side-by-side construction loan and bond loan. The MBS will be delivered as bond collateral after conversion, following the M.TEB delivery guidelines.
<b>Term</b>	Up to 30 years.	
<b>Amortization</b>	Up to 35 years.	
<b>Maximum LTV</b>	90%.	90% for deals with 90% or more affordable units. 85% for all other deals.
<b>Minimum DSCR</b>	1.15x.	1.15x for deals with 90% or more affordable units. 1.20x for all other deals.