



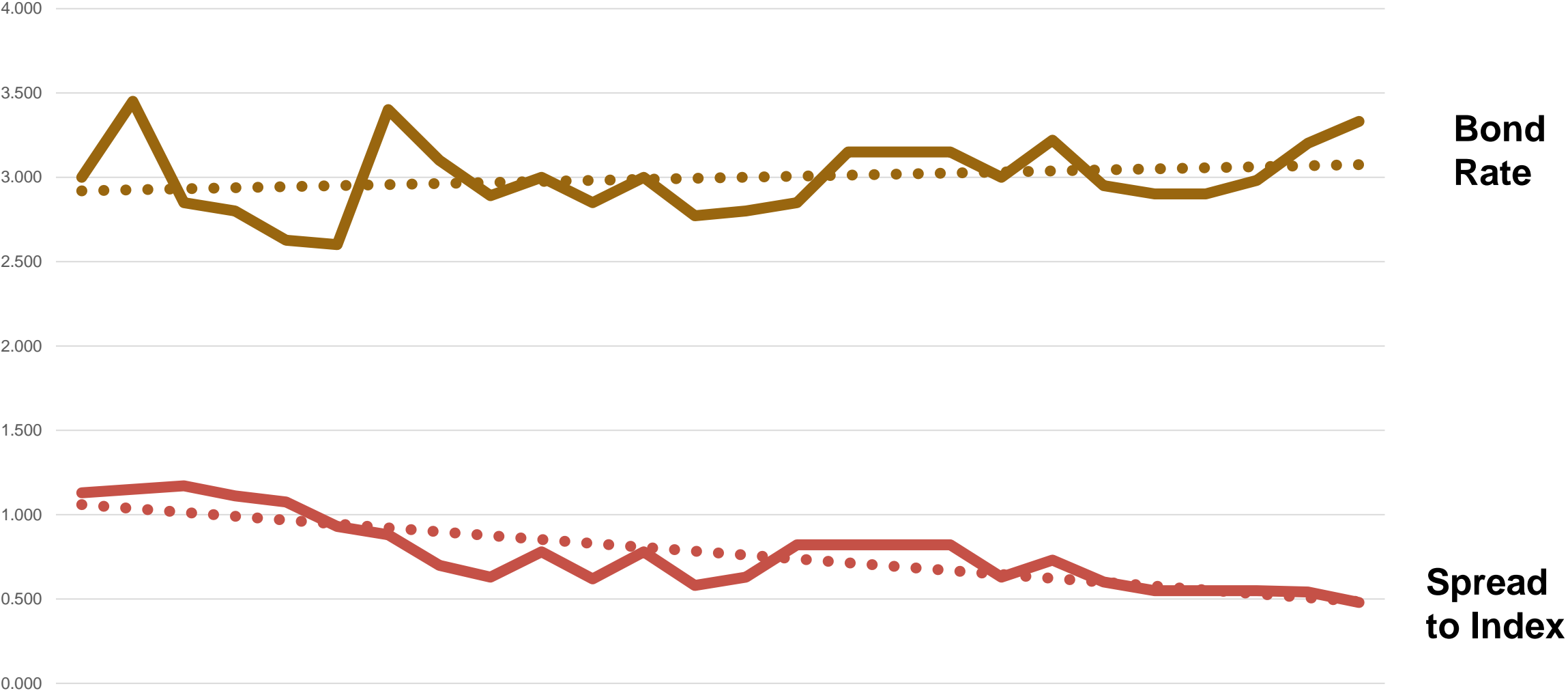
Fannie Mae®

# Fannie Mae Multifamily Affordable Housing

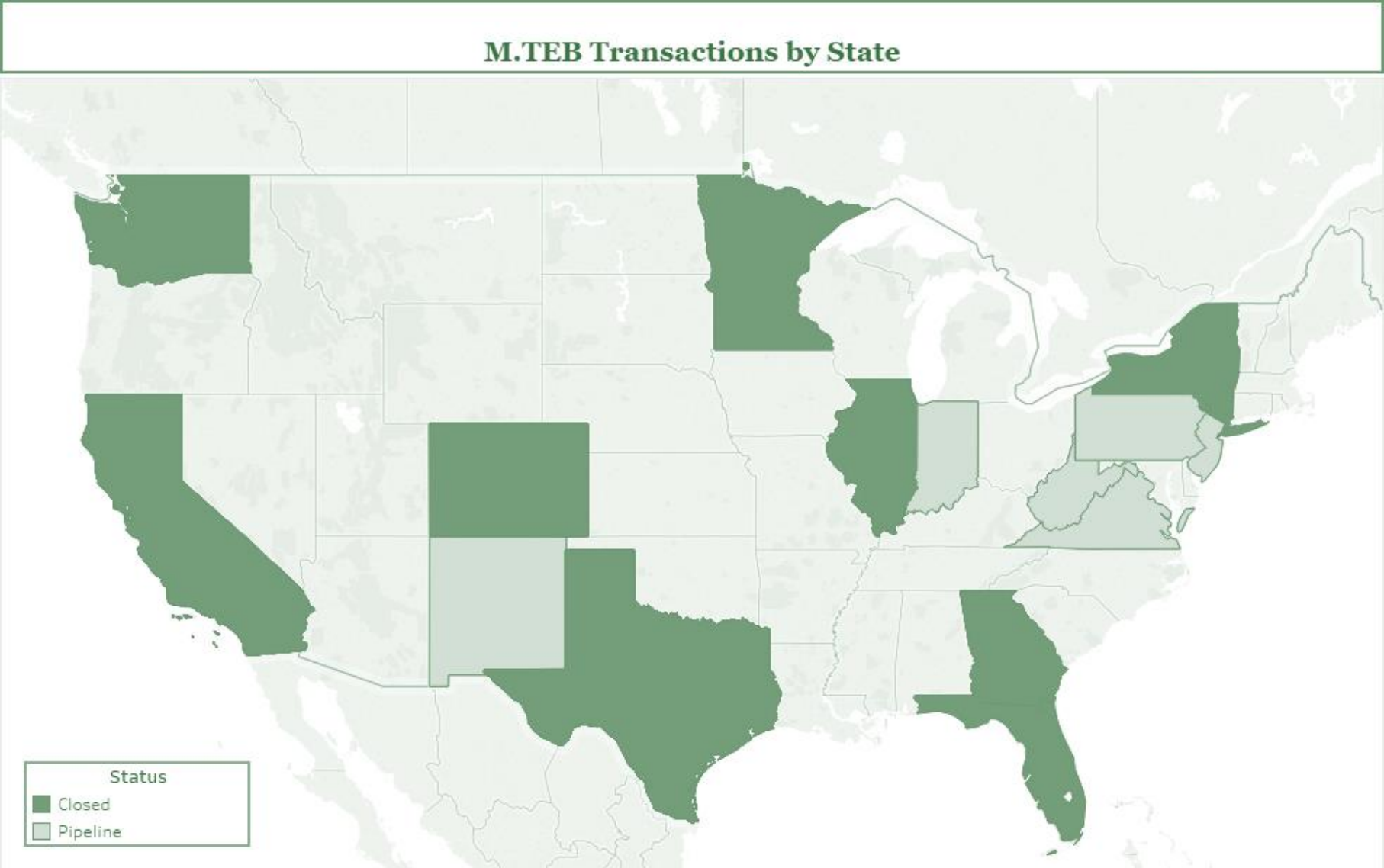
February 2018



# The M.TEB Delivers Low Cost Financing



# Where are we doing M.TEBs?



# Choose Fannie Mae and the M.TEB

## The Loan We All Own

### Very Low Rates

Wide Investor Base  
offering attractive pricing

Declining Prepayment or  
Yield Maintenance

### Superior Execution

Most experienced  
Affordable Housing Experts

Fast and Consistent  
Response Times

### The DUS<sup>®</sup> Advantage

Delegated Underwriting  
Model

Life of loan servicing with  
NO master or special servicer



# The Property: New Visions



Lender: Jones Lang LaSalle  
Sponsor: Housing Authority of the City of Los Angeles  
Property: 557 units / 7 properties  
Location: Los Angeles, CA  
Affordability: HAP, affordable, market  
Bond Issuance: \$17.5 million

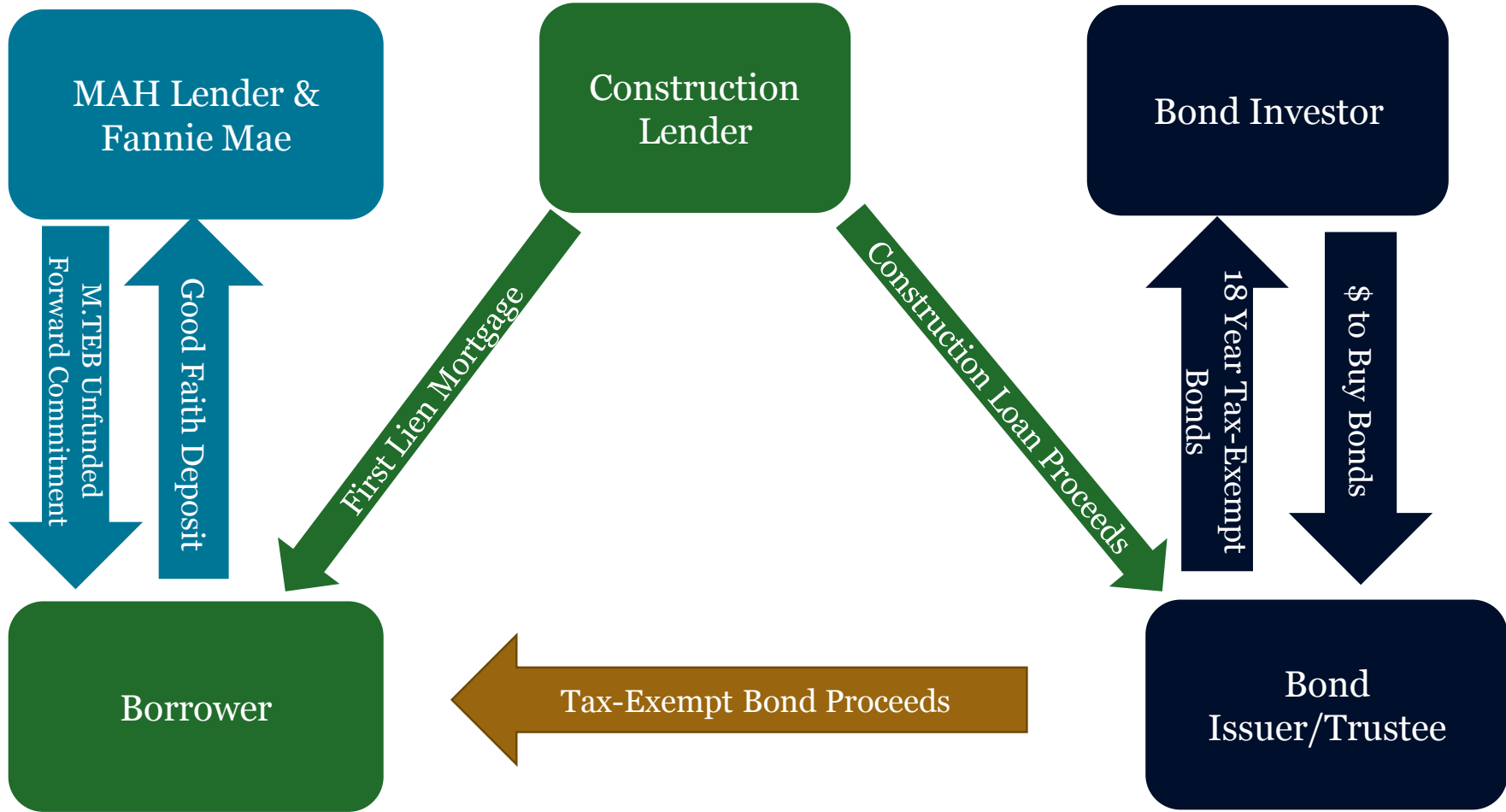
Term/YM/Amort: 20 / 10/ 20 Years  
Loan Purpose: Refinance  
Minimum DSCR: 1.50X  
Maximum LTV: 60%  
Interest Rate: 3.98%





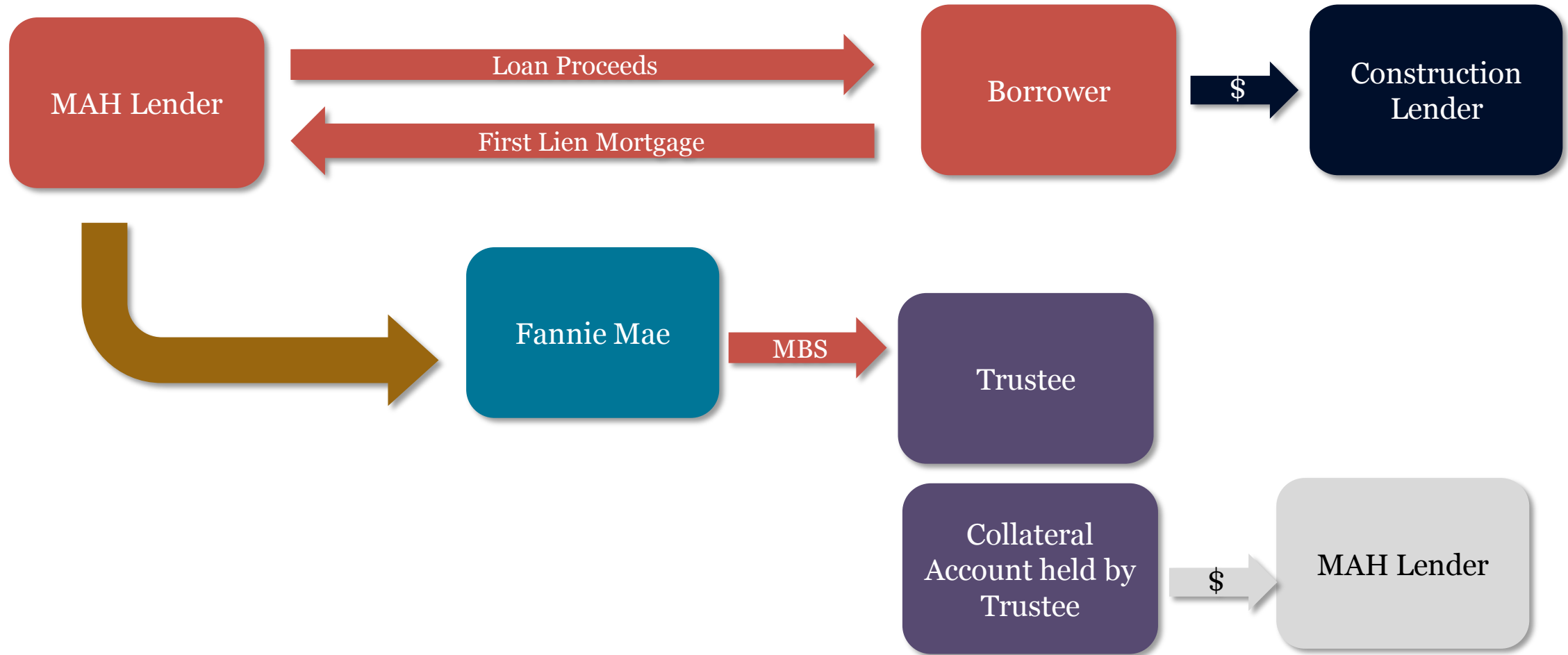
# How does the M.TEB forward work at Construction Loan Closing?

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# How does the M.TEB Forward work at Conversion to Permanent Loan?





# The Property: Parkway Overlook M.TEB Forward

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- Lender: Wells Fargo
- Sponsor: DC Housing Authority
- Property: 220 units
- Location: Washington DC
- Affordability: 75% @ 50%, 25% PBV
- TDC: \$63.3 million
- Bond Issuance: \$21.2 million

Term/Amort: 15 / 35 Years  
\$ Rehab/Unit: ~\$236K/unit  
Minimum DSCR: 1.15X  
Maximum LTV: 90%  
Interest Rate: 4.58%



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Combine your M.TEB  
with these Fannie Mae  
products for maximum  
value.

1

Flexible Choice  
Bridge

2

Green  
Rewards

3

Mod-Rehab  
Supplemental

4

Healthy Housing  
Rewards



# Flexible Choice Bridge

Variable Rate Financing That Lets You Decide



Resyndication

Embedded and Third-Party Cap Options

Up to 80% LTV



Repositioning

6 Months OR 1 Year Lockout, 1% Thereafter



Releveraging

7 and 10 Year Terms



# Combine M.TEB & **Green** Rewards

**25%**

Reduction in  
energy or water  
consumption

**75%**

Savings  
underwritten to  
maximize loan  
proceeds

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**No minimum property age**  
**No minimum improvement budget**  
**Preferential pricing**  
**Reimbursement of cost of HPB Report**  
**Complete Improvements in 12 months**



# Moderate Rehabilitation (Mod Rehab) Supplemental Mortgage Loan for Affordable Properties

## Benefits

- The Mod Rehab Supplemental Mortgage Loan is excluded from the one Supplemental loan rule
- The loan sizing and pricing is comparable to a first lien cash-out mortgage loan
- Lower cost than refinancing
- Access to additional capital
- Certainty of execution
- Speed in processing and underwriting

## Eligibility

- First Mortgage Loan or BCE identified as Mod Rehab
- Existing Fannie Mae fixed-rate or adjustable-rate mortgage loans or BCEs
- Lender must be the servicer of the existing Fannie Mae Mortgage Loan or BCE
- Fannie Mae must be the only senior debt holder on the property

 Fannie Mae
Multifamily Term Sheet

### Moderate Rehabilitation (Mod Rehab) Supplemental Mortgage Loan for Affordable Properties

Fannie Mae Multifamily offers subordinate financing options for multifamily properties that have completed moderate rehabilitation.



<b>Term</b>	5-30 years; must be coterminous with the senior Mortgage Loan or Bond Credit Enhancement Mortgage Loan (BCE).
<b>Amortization</b>	Up to 35 years.
<b>Interest Rate</b>	Fixed- and variable-rate options available.
<b>Maximum LTV</b>	Delegated to as high as 85%, depending upon the MAH execution type.
<b>Minimum DSCR</b>	As low as 1.15x, depending upon the MAH execution type.
<b>Mod Rehab Supplemental Mortgage Loan Timing</b>	Within 36 months of origination of the Mod Rehab first mortgage loan or BCE. No one-year waiting period.
<b>Rate Lock</b>	Standard Rate Lock.

#### Benefits

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#### For More Information

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

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





# Mod-Rehab Supplemental

**Total Bond Issuance**

**Taxable Supplemental**

Loan Supported today by current Net Cash Flow

Earn Out Supported by future increase to Net Cash Flow

MBS as Collateral

Future Supplemental MBS as Collateral

**Total Bond Issuance**

Loan Supported today by current Net Cash Flow

Earn Out Supported by future increase to Net Cash Flow

MBS as Collateral

Cash then Supplemental MBS as Collateral







Fannie Mae Multifamily offers **Healthy Housing Rewards**, a financial incentive to Multifamily affordable borrowers that **invest in health-promoting design elements or resident services** for their tenants.

Healthy Housing Rewards provides **lower pricing** to finance affordable properties where at least 60% of the units are restricted to 60% AMI.

Fannie Mae affordable borrowers benefit from a **pricing incentive & reimbursement of the cost of certification.**

[www.fanniemae.com/multifamily/healthy-housing-rewards](http://www.fanniemae.com/multifamily/healthy-housing-rewards)

# Thank you.



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