Fannie Mae

CBRE
MULTIFAMILY TERM SHEET

Credit Facility

Fannie Mae's Credit Facility is a flexible financing tool that allows Borrowers to manage debt across their entire multifamily portfolio. Credit Facilities permit a combination of variable- and fixed-rate debt with laddered maturities and flexible post-closing features, so borrowers can manage complex and changing business strategies to achieve their long-term goals.

Core Features

- Must Be Cross-Collateralized and Cross-Defaulted
- Must Have Common Ownership and Control Across the Portfolio
- Add, Release, or Substitute Collateral
- Borrow-Up to Release Trapped Equity
- Unlimited Expansion Capabilities
- No Hidden Costs or Annual Re-Balancing
- All Structuring Options/Features Subject to the Terms of the Master Credit Facility Agreement

Credit Facility Size	Minimum Initial Advance of $100 million with unlimited expansion capacity
Credit Facility Term	The Facility terminates upon its full repayment or the Latest Facility Termination Date (typically 15 years from initial closing date or 5 years beyond the loan term of the Initial Advance)
Loan Term	Minimum 5-year loan term with fixed-rate advances up to 15 years and variable-rate advances up to 10 years
Interest Rate	Fixed, variable, or a combination of fixed and variable tranches. Variable-rate advances may be converted to fixed rate. An Interest Rate Cap is generally required for variable-rate advances
Amoritization	Interest-only and amortizing options available, based upon property and pool performance

Benefits

- Tranche Debt to Optimize Your Debt Strategy
- Ladder Maturities and Customize Prepayment
- Buy and Sell Assets on Your Own Schedule
- Grow Your Portfolio with Quick and Easy Expansions and Pre-Negotiated Loan Documents
- Retain Favorable Interest Rates and Reduce Prepayment Premiums with Property Substitutions
- Recognize Portfolio Improvements with First Lien Borrow-Ups

Eligibility

- Available for all asset classes to new or repeat Fannie Mae Borrowers

For More Information:

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Maximum LTV	Up to 75%, depending upon asset class and product type. Credit Facilities that only include Multifamily Affordable Housing Properties allow up to 80%
Minimum DSCR	Generally starting at 1.25x depending upon asset class and product type. Multifamily Affordable Housing Properties may start at 1.20x
Prepayment Availability	Flexible prepayment options available, including partially pre-payable debt, yield maintenance, and declining prepayment premium
Borrower Entity	A single-purpose, bankruptcy-remote entity is required for each borrower and any general partner, managing member, or sole member that is an entity. Borrowers must have common ownership and control across the pool
Rate Lock	30- to 180-day commitments
Timing of Rate Lock and Closing	The time frames for rate lock and closing are subject to the number of properties, property-specific issues, locations, complexity of ownership issues, complexity of closing or execution requirements, and the level of document negotiation. The minimum closing time frame for a new Credit Facility is 60 days from signed term sheet/loan application
Recourse	Non-recourse execution with standard carve-outs for "bad acts" such as fraud and bankruptcy
Escrows	Replacement reserve, tax, and insurance escrows are determined based on the merits of the transaction
Third-Party Reports	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment
Assumption	Assumption of the entire Facility is permitted upon satisfaction of the requirements of the Master Credit Facility Agreement