



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 (MTEB) execution is an available option for 4% LIHTC transactions.

OVERVIEW	9% LIHTC	4% LIHTC (INCLUDING 80/20)
Interest Rate	Fixed Rate	Fixed or Variable Rate
Good Faith Deposit	1% of the amount of the Forward Commitment, due at issuance of the Forward Commitment, and refundable upon conversion to the permanent Mortgage Loan	
Forward Rate Lock	24 or 30 month commitments. One delegated six-month extension available	
Forward Commitment Standby Fee	<ul style="list-style-type: none"> 10 bps paid upfront prior to Rate Lock 5 bps for the 6 month extension 	<ul style="list-style-type: none"> 15 bps <i>per year</i> paid upfront prior to Rate Lock 7.5 bps for the 6 month extension
Conversion to Permanent Mortgage Loan	The permanent Mortgage Loan will close upon project completion and the issuance of certificates of occupancy for all units and at least 90% occupancy for 90 consecutive days. The permanent Mortgage 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
- MTEB execution offers optional reimbursement of certain costs of issuance up to 75bps

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:

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Permanent Mortgage Loan Key Terms

OVERVIEW	9% LIHTC	4% LIHTC (INCLUDING 80/20)
Additional Considerations	Second Lien Delivery Assurance Note and Security Instrument are necessary if required by Fannie Mae or the Bond Investor	During the construction phase, the MTEB 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 MTEB delivery guidelines
Term	Up to 30 years	
Delivery Tolerance	The original principal amount of the permanent Mortgage Loan must not be (i) greater than 105%, or (ii) less than 90% of the amount of the Unfunded Forward Commitment	
Amortization	Up to 35 years	
Maximum LTV	90%	90% for Mortgage Loans secured by a Property with at least with 90% affordable units. 85% for all other Mortgage Loans.
Minimum DSCR	1.15x	1.15x for Mortgage Loans secured by a Property with at least with 90% or more affordable units. 1.20x for all other Mortgage Loan