

Near-Stabilization Execution

Fannie Mae Multifamily provides permanent mortgage loan financing for newly constructed or recently renovated conventional and affordable multifamily apartment communities expected to achieve stabilized occupancy within 120 days.



Loan Size	\$10 million or greater.
Term	5, 7, 10, and 12 year term options are available.
Amortization	5 - 30 years.
Interest Rate	Fixed- and variable-rate options available.
Maximum LTV	Maximum LTV shall be Tier compliant. For a Tier 2 level – 75% of “as stabilized” loan-to-value
Minimum DSCR	Minimum DSCR shall be Tier compliant. For a Tier 2 level – Underwritten DSCR of 1.25x, 1.15x for MAH loans. Underwritten DSCR is defined as DSCR as deemed achievable within 4 months after rate lock and at Fannie Mae’s discretion.
Interest Only	Monthly payments of interest only for the first 12 months of the loan term, based on the actual interest rate. An additional period of interest-only payments may be available.
Property Considerations	Minimum physical occupancy of 75% at rate lock. MBS Additional Disclosure is required. Full disbursement of loan proceeds at closing.

Benefits

- Ability to pay off construction loan and add permanent non-recourse financing prior to full stabilization
- Competitive pricing
- Certainty of execution
- Speed in processing and underwriting

Eligibility

- Conventional and Multifamily Affordable Housing Properties
- Partially leased, newly constructed or recently renovated communities
- Strong borrowers with demonstrated lease-up track record.
- Properties in Strong and Nationwide markets.

For More Information

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

fanniemae.com/multifamily



Prepayment Availability	Flexible prepayment options available, including yield maintenance and declining prepayment premium.
Rate Lock	30- to 180-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock or Early Rate Lock options.
Accrual	30/360 and Actual/360.
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.
Assumption	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.