

Sponsor-Dedicated Workforce (SDW) Housing

Fannie Mae Multifamily provides better pricing and more flexible underwriting to incentivize the election of rent restrictions on workforce housing supply.

Benefits

- Creation and preservation of workforce housing affordable to households earning 80% – 120% of AMI
- Flexible loan terms
- Competitive pricing
- Supports workforce housing providers
- Speed in processing and underwriting, with simple Loan Document modifications
- Straightforward annual rent monitoring process



Eligibility

- Existing, stabilized Conventional properties
- A minimum of 20% of units must be made affordable to households earning up to 80% of AMI or, in certain metros, up to 100% – 120% AMI
- The identified units will have workforce housing rents for the Mortgage Loan term
- Rent affordability levels are identified and in place by the Mortgage Loan Origination Date
- The Property has 12 months from the Mortgage Loan Origination Date to comply with the SDW rent restrictions. The Lender is responsible for notifying Fannie Mae of noncompliance

Term	5 to 30 years
Amortization	Up to 30 years
Interest Rate	Fixed- and variable-rate options available. Structured ARM Loans with a lockout period of less than a two-years are not eligible.
Maximum LTV	80%
Minimum DSCR	1.25x
Loan Document Requirements	<ul style="list-style-type: none"> • Modifications to Loan Agreement (Sponsor-Dedicated Workforce Housing) (Form 6271.SDW); and • Modifications to Security Agreement (Sponsor-Dedicated Workforce Housing) (Form 6325).
Annual Compliance Requirements	The Servicer manages the affordability requirements, including verification of the SDW rent restrictions. The Borrower must annually submit a certification of compliance via the Supplemental Annual Loan Agreement Certification (Form 6620.Supplemental.SDW) and rent rolls to the Servicer.
Execution	MBS
Supplemental Financing	Supplemental Mortgage Loans are available

Prepayment Availability	Mortgage Loans may be voluntarily prepaid upon payment of the applicable Prepayment Premium, either Yield Maintenance or Graduated Prepayment Premium.
Rate Lock	30- to 180-day Rate Lock periods are available
Accrual	30/360 and Actual/360
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	Mortgage Loans are typically assumable, subject to review and approval of the proposed new borrower's financial capacity and experience.
Asset Management	The Property must comply with the SDW rent restrictions within 12 months of the Mortgage Loan Origination Date. The Lender is responsible for notifying Fannie Mae of noncompliance.