Credit Facilities

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

Benefits

- Tranche debt to optimize strategy
- Ladder maturities and customize prepayment
- Buy and sell assets on your schedule
- Grow 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

- New or repeat Fannie Mae Borrowers
- Available for all Property types and features

For More Information contact a Fannie Mae representative or visit the Multifamily Financing Options site for details.

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Credit Facility Size	At least $100 million at initial closing and not to exceed any applicable Maximum Facility Limitations per the Master Credit Facility Agreement.
Core Features	All structuring options/features subject to the terms of the Master Credit Facility Agreement. • All Mortgage Loans must be cross-collateralized and cross-defaulted. • Ability to add, release, or substitute Properties. • Borrow-up availability to access trapped equity.
Term	Minimum 5-year loan term and a maximum loan term of: • 15 years for fixed rate advances; and • 10 years for variable rate advances. The Credit Facility terminates upon its full repayment or the Latest Facility Termination Date (typically 15 years from initial Mortgage Loan Origination Date or 5 years beyond the loan term of the initial advance).
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 or other Interest Rate Hedge is generally required for variable rate advances.
Amortization	Interest-only and amortizing available, based upon Property and pool performance.
Maximum Facility LTV	Up to 75%, depending upon the product type and features. Credit Facilities that only include Multifamily Affordable Housing Properties may go up to 80%.
Minimum Facility DSCR	Generally starting at 1.25x depending upon product type and features. 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 Credit Facility.

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Rate Lock	30- to 180-day commitments.
Timing of Rate Lock and Closing	The timeframes 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 timeframe for a new Credit Facility is 60 days from signed term sheet/ loan application. For collateral additions and substitutions, the closing timeframe is 30 days from signed application.
Recourse	Non-recourse execution with standard recourse carve-outs for "bad acts", such as fraud and bankruptcy.
Escrows	Replacement Reserve, tax, and insurance escrows are typically required, but may be waived based on the strength 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 Credit Facility is permitted upon satisfaction of the requirements of the Master Credit Facility Agreement.
Origination Fees	The Lender's Origination Fee must be approved by Fannie Mae and is determined on a case-by-case basis prior to application based on the size and make-up of the Collateral Pool for the Initial Advance. Fannie Mae charges a structuring fee of 10 basis points on each advance. Other fees (e.g., due diligence, substitution, release, assumption, and review) will apply.
Property Considerations	Financial and operating covenants and geographic diversity requirements determined on a case-by-case basis.

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