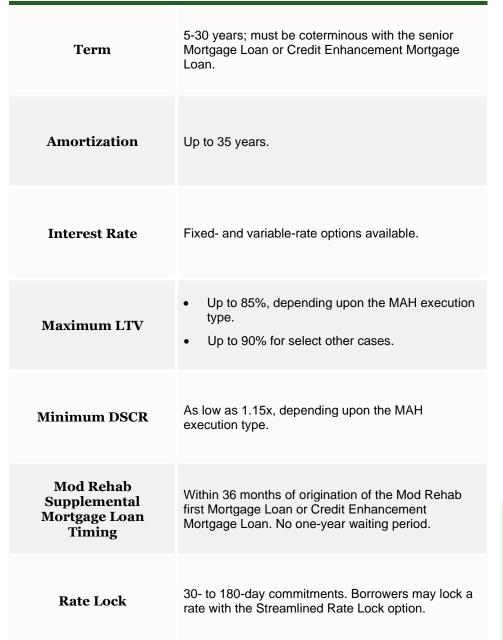


## Moderate Rehabilitation (Mod Rehab) Supplemental Mortgage Loan for Multifamily Affordable Properties (MAH)





## **Benefits**

- Great value-add option for an MBS for Bonds (MTEB) execution
- The Mod Rehab Supplemental Mortgage Loan is excluded from the one Supplemental Mortgage Loan rule
- Loan sizing is comparable to the first lien Mortgage Loan
- Lower pricing than generally available on other Supplemental Mortgage Loans
- Lower cost than refinancing
- Access to additional capital
- Certainty of execution
- Speed in processing and underwriting

## **Eligibility**

- First Mortgage Loan or Credit Enhancement Mortgage Loan identified as Mod Rehab
- Existing Fannie Mae fixed-rate or adjustable-rate Mortgage Loan or Credit Enhancement Mortgage Loan
- Lender must be the servicer of the existing Fannie Mae Mortgage Loan or Credit Enhancement Mortgage Loan
- Fannie Mae must be the only senior lien holder on the property

## **For More Information**

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

fanniemaemultifamilyaffordable.com











Accrual	30/360 and Actual/360.
Recourse	Non-recourse execution with standard carve-outs required for "bad acts" such as fraud and bankruptcy.
Escrows	Replacement reserve, tax and insurance escrows are typically required, based on the resulting Underwriting Tier of the combined Pre-Existing Mortgage Loan or BCE and Moderate Rehabilitation Supplemental Mortgage Loan.
Third-Party Reports	Standard third-party reports, including Phase I Environmental Site Assessment and a Property Condition Assessment, may not be required if certain conditions are met.
Assumption	Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience.
Tier-dropping	Permitted for fixed rate Moderate Rehab Supplemental Mortgage Loans.
Rehabilitation Requirements	Completed at least \$8,000/unit of property improvements. As a best practice, at least 60% of renovation budget allocated to interior unit improvements.
Verification of Property Improvements	Lender must document all completed rehabilitation work and verify its completion through a site inspection if the work is not performed pursuant to a Completion/Repair Agreement or a Rehabilitation Reserve Agreement.





