

# 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.

## 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
- Available on a Pre-Review basis



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

[multifamily.fanniemae.com](https://multifamily.fanniemae.com)

<b>Loan Size</b>	\$10 million or greater
<b>Term</b>	5, 7, 10, and 12 year term options are available
<b>Amortization</b>	5 - 30 years
<b>Interest Rate</b>	Fixed- and variable-rate options available
<b>Maximum LTV</b>	Maximum LTV shall be Tier compliant. For a Tier 2 level – 75% of “as stabilized” loan-to-value.
<b>Minimum DSCR</b>	<p>Minimum DSCR shall be Tier compliant. For a Tier 2 level –Underwritten DSCR of 1.25x, 1.15x for MAH loans.</p> <p>Underwritten DSCR is defined as DSCR as deemed achievable within 4 months after rate lock and at Fannie Mae’s discretion.</p>
<b>Interest Only</b>	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.
<b>Property Considerations</b>	Minimum physical occupancy of 75% at rate lock. MBS Additional Disclosure is required. Full disbursement of loan proceeds at closing.
<b>Prepayment Availability</b>	Flexible prepayment options available, including yield maintenance and declining prepayment premium.

<b>Rate Lock</b>	30- to 120-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option.
<b>Accrual</b>	30/360 and Actual/360
<b>Recourse</b>	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.
<b>Escrows</b>	Replacement reserve, tax, and insurance escrows are typically required.
<b>Third-Party Reports</b>	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
<b>Assumption</b>	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.