

# Standard FHA Risk Sharing Execution

The Standard FHA Risk Sharing execution for Multifamily Affordable Housing (MAH) transactions provides better pricing for Borrowers while retaining the ease of working with their Fannie Mae Lender. MBS and Credit Enhancement Mortgage Loans for bond executions are available.

## Benefits

- Highly competitive pricing for MAH transactions
- Certainty and speed of execution
- One stop customer service – Borrowers only need to work with their Fannie Mae Lender who will handle the Mortgage Loan execution

## Eligibility

- Multifamily Affordable Housing properties with income and rent restrictions effective the entire loan term
- Immediate and Forward Commitment executions



<b>Loan Amount</b>	No minimum or maximum; however, Mortgage Loans over \$50 million require HUD consent.
<b>Term</b>	15 – 40 years
<b>Amortization</b>	Full amortization up to 40 years; Balloon structures capped at 30-year amortization
<b>Interest Rate</b>	Fixed rate
<b>Interest Only</b>	Considered on an exception basis
<b>Maximum LTV</b>	Up to 90% “as stabilized”
<b>Minimum DSCR</b>	1.15x – 1.20x “as stabilized”
<b>Property Considerations</b>	The rent and income restrictions applicable to the Property must remain in effect for at least the term of the Mortgage Loan.
<b>Rate Lock</b>	30- to 180-day Commitments

<b>Prepayment Availability</b>	Flexible prepayment options available
<b>Subsidy Layering Review</b>	A subsidy layering review should be obtained when required by federal law, noting that FHA Risk Sharing loans are considered a source of federal government assistance.
<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>	Mortgage Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.