

# Unfunded Forward Commitment for 9% LIHTC Properties

Fannie Mae Multifamily offers an unfunded forward commitment to issue an MBS upon completion of construction and conversion to a permanent Mortgage Loan for Multifamily Affordable Properties using 9% LIHTC.

## Benefits

- Protection from interest rate volatility by locking the interest rate and other key provisions prior to construction
- Single asset security allows for customized loan structures
- Certainty and speed of execution
- MTEB execution offers optional reimbursement of certain costs of issuance up to 75 bps



## Eligibility

- LIHTC new construction and Properties undergoing substantial rehabilitation, including preservation and rural transactions
- Lenders approved to deliver forward commitments under Fannie Mae's Multifamily Affordable Housing product line

For More Information contact a Fannie Mae representative or visit the Multifamily Financing Options site for details.  
[multifamily.fanniemae.com](https://multifamily.fanniemae.com)

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| <b>Interest Rate</b>                         | Fixed Rate   |
| <b>Good Faith Deposit</b>                    | 1% of the amount of the Forward Commitment, due at issuance of the Forward Commitment, and refundable upon conversion to the permanent Mortgage Loan.  |
| <b>Forward Rate Lock</b>                     | 24- to 36- month commitments. One delegated six-month extension available.   |
| <b>Forward Commitment Standby Fee</b>        | 10 bps paid upfront prior to Rate Lock.  |
| <b>Conversion to Permanent Mortgage Loan</b> | The permanent Mortgage Loan will close upon project completion and the issuance of certificates of occupancy for all units and at least 90% occupancy for 90 consecutive days. The permanent Mortgage Loan must meet Fannie Mae's underwriting requirements. |
| <b>Additional Considerations</b>             | Second Lien Delivery Assurance Note and Security Instrument are necessary if required by Fannie Mae or the Bond Investor.  |
| <b>Term</b>                                  | 10 to 30 years   |
| <b>Delivery Tolerance</b>                    | The original principal amount of the permanent Mortgage Loan must not be (i) greater than 105%, or (ii) less than 90% of the amount of the Unfunded Forward Commitment, subject to Maximum LTV and Minimum DSCR constraints.                                 |
| <b>Amortization</b>                          | Up to 35 years   |



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| <b>Maximum LTV</b>  | 90%   |
| <b>Minimum DSCR</b> | 1.15x |