

Healthy Housing Rewards Enhanced Resident Services

Improving the Health and Well-being of Residents in Affordable Housing Communities



Challenge: Funding resident services

A multifamily building owner plans to acquire a 100 unit affordable Seniors Housing property.

The owner plans to spend \$70,000 to implement the following resident services tailored to seniors:

- On site health care coordination
- Healthy meal delivery programs and community gardening
- On site exercise classes
- Programs to reduce social isolation

Solution: Healthy Housing Rewards™

Fannie Mae's **Healthy Housing Rewards Enhanced Resident Services (ERS)** pathway offers a reduced interest rate for borrowers that provide service-enriched Multifamily Affordable Housing that improves the health and stability of residents and the surrounding neighborhood. Amounts saved through a lower interest rate create a steady, reliable source of funds for resident services.

Benefits include:

- Fannie Mae pays for sponsor and property certification (up to a cost of \$6,250 value)
- Lower interest rate (up to 30 bps)

Sample Deal

The property has 100% of units serving tenants at 60% AMI or less and a 100% senior population. The owner has budgeted \$70,000¹ annually to provide resident services is seeking Healthy Housing Rewards.

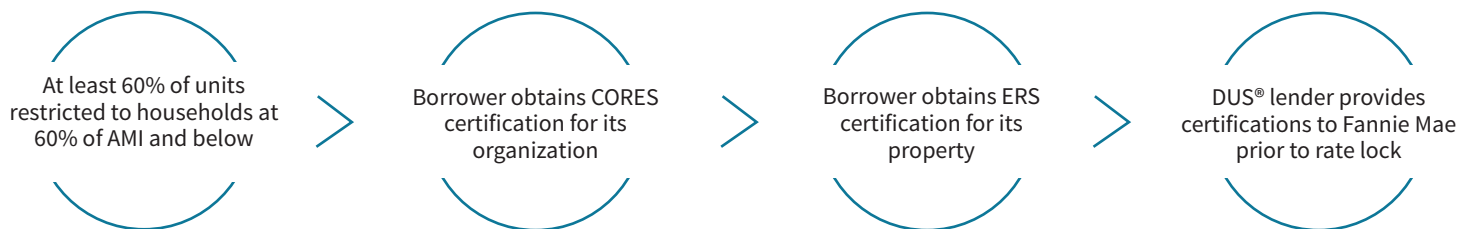
¹Estimate based on the cost of one full-time staff coordinator for resident services.

Compare the deal with and without Healthy Housing Rewards

	Standard loan	Healthy Housing Rewards: Benefit from higher net cash flow over the life of the loan	Healthy Housing Rewards: Benefit from higher loan proceeds at origination
Loan Size	\$7,011,000	\$7,011,000	\$7,256,000
Annual Loan Payment	\$441,600	\$426,600	\$441,600
Debt Service Coverage Ratio (DSCR)	1.20	1.24	1.20
Loan-to-Value (LTV)	77%	77%	80%
Healthy Housing Rewards Pricing Discount	N/A	30 basis points	30 basis points
Certification Costs Reimbursed	N/A	\$6,250	\$6,250
Benefit	N/A	\$15,000/year in additional net cash flow	\$245,000 in additional loan proceeds

This deal serves as an example. Not all deals will obtain the maximum benefits.

Process for Qualifying



Both certifications are issued by Stewards of Affordable Housing for the Future (<https://coresonline.org/>)

About Healthy Housing Rewards™ – Research shows that certain building design elements and resident services have a measurable positive impact on the health and wellbeing of low-income renters. Fannie Mae's Healthy Housing Rewards provides financial incentives for borrowers that incorporate health-promoting design features or resident services in their newly constructed or rehabilitated Multifamily Affordable rental properties. Borrowers can follow only one of two paths to qualify for discounted financing – **Healthy Design or Enhanced Resident Services**. (<https://www.fanniemae.com/multifamily/healthy-housing-rewards>)

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