

Affordable Housing Preservation

Fannie Mae Multifamily provides options for preserving the availability and affordability of subsidized rental housing for low-income renters. Fannie Mae can offer long-term financing or refinancing solutions for stabilized rental properties with rent and income restrictions.



Term	5 - 30 years.
Amortization	Up to 35 years.
Interest Rate	Fixed- and variable-rate options available.
Maximum LTV	80%.
Minimum DSCR	1.20x (fixed-rate).
Property Considerations	<p>Low-income qualifying restrictions required and must be recorded:</p> <ul style="list-style-type: none"> • 20% or more units rented to families earning at or below 50% of Area Median Income (AMI); • 40% or more units rented to families earning at or below 60% of AMI; or • Project-Based Housing Assistance Payments contract (Section 8) covering 20% or more units.
Supplemental Financing	Supplemental Loans are available.
Prepayment Availability	Flexible prepayment options available, including yield maintenance and declining prepayment premium.

Benefits

- Flexible underwriting to specific affordable developments
- Competitive pricing
- Flexible loan terms, and fixed- or variable-rate financing options
- Certainty and speed of execution

Eligibility

- Expiring Low-Income Housing Tax Credit deals
- Refinancing of existing tax-exempt bond deals
- Properties eligible for the Rental Assistance Demonstration (RAD) program
- Properties with HUD Section 8 HAP Contracts
- Properties with existing Rural Housing Service (RHS) Section 515 loans
- Loans insured under Sections 202 or 236 of the National Housing Act

For More Information

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

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Rate Lock	30- to 180-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option.
Accrual	30/360 and Actual/360.
Third-Party Subordinate Financing	Hard subordinate debt (which requires scheduled repayment of principal) is permitted only if provided by a public, quasi-public, or not-for-profit lender and combined debt service coverage cannot fall below 1.05x. Soft subordinate debt is permitted subject to requirements which include capping payments at 75% of available Property cash flow after payment of senior liens and Property operating expenses.
Recourse	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.
Escrows	Replacement reserve, tax, and insurance escrows are typically required.
Third-Party Reports	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
Assumption	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.