

FANNIE MAE TAX-EXEMPT BOND CREDIT ENHANCEMENT



**Mortgage
Company**

A COOPERATIVE OF IMPACT-DRIVEN
NONPROFIT LENDERS AND INVESTORS

This Fannie Mae product offered by CPC Mortgage Company provides credit enhancement for tax-exempt bonds issued to finance the acquisition, new construction, refinancing, or moderate to substantial rehabilitation of multifamily properties.

CPC Mortgage Company is proud to be a licensed Fannie Mae lender, and the only nonprofit multifamily mortgage lender with multiple licenses with Freddie Mac, Fannie Mae and HUD/FHA, allowing us to help you find the right product, rate, and terms to fit your financing needs.

Term	10 - 30 years (minimum 15 years for new construction and substantial rehabilitation).
Amortization	Up to 35 years.
Interest Rate	Fixed rate.
Maximum LTV	90% for 4% LIHTC properties with at least 90% of the units meeting affordability requirements.
	85% for 4% LIHTC properties with less than 90% of the units meeting affordability requirements. 80% for refundings.
Minimum DSCR	1.15x for 4% LIHTC properties with at least 90% of the units meeting affordability requirements.
	1.20x for 4% LIHTC properties with less than 90% of the units meeting affordability requirements and for refundings.
Prepayment Availability	Flexible prepayment options available.

Product Highlights

- Low borrowing cost, “AA+” rating keeps the interest rates on bonds low
- Supports affordable rental housing
- Flexible structures
- Certainty and speed of execution

Eligibility

- Multifamily Affordable Housing (MAH) properties with 4% Low-Income Housing Tax Credit (LIHTC) rent restrictions
- New money issues, refundings, or credit substitutions

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.
Additional Considerations	The Credit Enhancement Instrument issued by Fannie Mae is provided in accordance with the terms of a Reimbursement Agreement between the borrower and Fannie Mae, among other documents.

About CPC Mortgage Company

A first of its kind cooperative of impact-driven, nonprofit mortgage lenders and investors, CPC Mortgage Company brings together the unique expertise of managing member The Community Preservation Corporation and cooperative owners Cinnaire and National Equity Fund. This innovative model leverages the best in class execution, commitment to service, transparency and reach of three nonprofit lenders, with the shared goal of expanding and preserving affordable and workforce housing.

For more information, visit us at communitycp.com/mortgagecompany.

CPC Mortgage Company, in its sole discretion, may, at any time and without prior notice, terminate the loan program, amend or waive compliance with any terms, or reject any or all proposals for funding. Feb., 2023