

# FANNIE MAE UNFUNDED FORWARD COMMITMENT



**Mortgage  
Company**

A COOPERATIVE OF IMPACT-DRIVEN  
NONPROFIT LENDERS AND INVESTORS

Through Fannie Mae Multifamily, CPC Mortgage Company offers an unfunded forward commitment to issue an MBS upon completion of construction and conversion to a permanent Mortgage Loan for Multifamily Affordable Properties. The MBS as Collateral for Tax-exempt Bonds (MTEB) execution is an available option for 4% LIHTC transactions.

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.

Overview	9% LIHTC	4% LIHTC (including 80/20s & MTEB)
<b>Interest Rate</b>	Fixed Rate.	Fixed or Variable 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.	15 bps <i>per year</i> 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.	

## Product Highlights

- 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 75bps

## Eligibility

- LIHTC new construction and properties undergoing substantial rehabilitation, including preservation and rural transactions

## Permanent Mortgage Loan Key Terms

<b>Additional Considerations</b>	Second Lien Delivery Assurance Note and Security Instrument are necessary if required by Fannie Mae or the Bond Investor.	During the construction phase, the MTEB execution requires the bonds to be cash collateralized with proceeds of a side-by-side construction loan and bond loan. The MBS will be delivered as bond collateral after conversion, following the MTEB delivery guidelines.
<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.	The original principal amount of the permanent Mortgage Loan must not be greater than 100% of the amount of the Unfunded Forward Commitment
<b>Amortization</b>	Up to 35 years.	
<b>Maximum LTV</b>	90%.	90% for Mortgage Loans secured by a Property with at least 90% of units meeting affordability requirements. 85% for a Property with less than 90% of units meeting affordability requirements. 80% for refundings.
<b>Minimum DSCR</b>	1.15x.	1.15x for Mortgage Loans secured by a Property with at least 90% of units meeting affordability requirements. 1.20x for refundings and properties with less than 90% of units meeting affordability requirements.

## 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](https://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*