

Fannie Mae | Multifamily Affordable

MAH Preservation Rehab Execution

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| PRODUCT DESCRIPTION | Permanent financing for Qualified Sponsors with an MAH property in need of renovations, eliminating the need for a construction loan. The property must achieve stabilization within 18 months of origination. Fixed- and variable-rate loan options are available |
| ELIGIBLE PROPERTIES | Stabilized MAH properties undergoing major renovations, typically between \$40,000 and \$120,000 per unit. |
| REHAB PERIOD/OCCUPANCY | 12-18 month Rehab Period. Minimum of 50% occupancy during the Rehab Period |
| MINIMUM DSCR | 1.15x - 1.20x "as stabilized" |
| REHAB PERIOD - DSCR | 1.0x (Interest-only basis) ; 0.75x (Amortizing basis) |
| MAXIMUM LTV | Up to 90% "as stabilized" |
| TERM | 5-30 years |
| AMORTIZATION | Up to 30 years |
| PREPAYMENT | Loans may be voluntarily prepaid upon payment of yield maintenance |
| LOAN SIZE | \$5,000,000 minimum with <u>no maximum</u> loan size |
| INTEREST RATE | Fixed- and variable-rate interest options are available |
| AGENCY UNDERWRITING FEE | 3 bps |
| LOAN DISBURSEMENT | Proceeds are fully funded at closing; Rehab funds to be escrowed by lender |
| RE-STABILIZATION | Fully stabilized no later than 18 months after loan origination |
| RATE LOCK | 30-to-180 day commitments available. |
| PERSONAL LIABILITY | Non-recourse execution with standard carve-outs for "bad acts" such as fraud and bankruptcy required; Construction Completion and Operating Deficit Guarantees required during the rehab and stabilization period |
| EXECUTION | Interest-only period generally structured to match the rehab period; MBS upon stabilization |
| APPLICATION FEE | Covers third party reports and processing/underwriting costs |
| FINANCING FEE | Earned at borrower's acceptance of loan commitment and payable at closing |
| TIMELINE | 60-90 days; depends upon timing of third party reports and borrower's submission of due diligence |
