



Fannie Mae Forward Commitment Program

Fannie Mae's Forward Commitment Product provides flexible options for securing permanent financing terms prior to or during construction/substantial rehabilitation of market rate or affordable housing multifamily projects.

Loan Amount	\$2,000,000 minimum
Maximum Loan to Value	90% for Affordable Housing. 80% for Market Rate
Loan Term	7 to 30 years
Amortization	Up to 30 years
Forward Commitment Term	Up to 24 months with a six month extension option (subject to approval)
Eligible Property	Multifamily, minimum 5 units
Eligible Borrower	Single asset entity
Occupancy Requirements	90% physical occupancy for 60 days at application. 90 days at commitment
Minimum Debt Service Coverage Ratio (DSCR)	1.10 for Affordable Housing. 1.25 for Market Rate
Tax and Insurance Escrows	Monthly deposits required. May be waived if certain criteria are met
Replacement Reserves	Underwritten at a minimum \$150 per unit per annum. Monthly deposits may be waived if certain criteria are met
Recourse	Non-recourse. Standard exceptions for fraud and environmental issues can be waived for 100% restricted properties
Required Reports	Narrative MAI appraisal, market study, architect review of plans, soils report and Phase I
Prepayment	Yield Maintenance or Defeasance on permanent loan
Assumable	Subject to approval and 1 % fee
Subordinate Financing	Subordinate debt allowed subject to approval on affordable transactions. Mezzanine allowed subject to approval for market rate transactions greater than \$20,000,000
Supplemental Loans	Eligible for secondary financing 24 months after closing of the permanent loan and in 12 month intervals thereafter
Pricing	Tiered Pricing Matrix. More favorable terms available for higher DSC and lower LTV
Rate Lock	Available using Letter of Credit or Guaranteed Investment Contract (GIC)
Application Deposit	\$ 20,000. Covers all estimated transaction costs (including Processing Fee and Legal/Closing Fee)
Processing Fee	\$3,000 non-refundable
Origination Fee	Minimum 1%.



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Legal/Closing Fee	Counsel Fee estimated at \$ 7,000 plus costs
Good Faith Deposit	2% of loan amount, refundable at permanent loan closing
Delivery Assurance Fee	5%. Delivery Assurance Note acceptable in lieu of cash fee
Earn out Provision	Eligible for increase in loan amount within 16 months of closing of permanent loan
