LMD
CAPITAL PARTNERS

FANNIE MAE

Fannie Mae Bond Credit Enhancement Loan

Credit enhancement of tax-exempt bonds issued to finance the acquisition, new construction, refinancing, or moderate to substantial rehabilitation of multifamily properties.

Indicative Terms

LOAN TERMS	10 to 30 years, with a 15-year minimum on new construction and substantial rehabilitation.
AMORTIZATION	Up to 35 years.
LOAN TO VALUE	Up to 90% for 4% LIHTC properties where at least 90% of units meet the affordability requirement; up to 85% for 4% LIHTC properties where fewer than 90% of units meet it; up to 80% on refundings.
DEBT SERVICE COVERAGE	1.15x minimum for 4% LIHTC properties where at least 90% of units meet the affordability requirement; 1.20x minimum where fewer than 90% of units meet it.
SUBORDINATE DEBT	Permitted subject to non-negotiated Fannie Mae subordination agreements. Private for-profit subordinate financing must be soft financing.
RECOURSE	Non-recourse with standard carve-out provisions required.
ESCROWS	Taxes, insurance and replacement reserves.
THIRD PARTY REPORTS	MAI appraisal, zoning report, Phase I environmental site assessment and property condition assessment. A seismic report may be required.
FANNIE MAE FEE	0.10% of the loan amount, collected at closing.
APPLICATION FEE	Quoted per transaction.
ORIGINATION FEE	Quoted per transaction.
LEGAL FEES	Quoted per transaction.
TIMING	Driven by the credit enhancement structure, the status of the bonds, third-party report turnaround and receipt of documentation.

Miami, FL | Amy Miller, Marketing Director | amy.miller@lmdcap.com

Eligible Properties & Sponsors

Multifamily properties financed with tax-exempt bonds for acquisition, new construction, refinancing, or moderate to substantial rehabilitation, including 4% LIHTC transactions. Subordinate debt is permitted under non-negotiated Fannie Mae subordination agreements, and private for-profit subordinate financing must be soft financing.