

# DOUGHERTY MORTGAGE LLC

## Fannie Mae Affordable Housing Preservation

### Summary

The Fannie Mae Affordable Housing Preservation product line provides options for preserving the availability and affordability of subsidized rental housing for low-income renters. This Fannie Mae product line can offer long-term financing or refinancing solutions for stabilized multifamily properties with rent and income restrictions.

#### Eligibility:

- ❖ Acquisition or refinance of Affordable Housing subject to the following income restrictions:
  - Expiring Low Income Housing Tax Credit (LIHTC) transactions
  - Refinancing of existing tax-exempt bond transactions
  - Properties with Section 8 HAP Contracts
  - Properties with existing Rural Development (RD) 515 and RD 538 loans
  - Loans insured under Sections 202 and 236 of the National Housing Act
- ❖ Fixed and adjustable-rate mortgage (ARM) permanent financing options are available

**Loan to Value:** Up to 80% LTV; 75% for cash-out refinancing

**Loan Term:** 5 to 10 Years for ARM loans; 10 to 30 years for Fixed rate; (7 years available upon request)

**Amortization:** Up to 30 years

**Debt Service Coverage Ratio:** 1.20x

**Interest Rate\*:** Daily pricing indications based on current market conditions and risk

**Prepayment:** Yield Maintenance with no prepayment penalty during the three months prior to maturity

**Guaranty:** Non-recourse with Standard Carve-Outs

**Subordinate Financing:** Permitted subject to Fannie Mae requirements

**Tax-Exempt Funding:** For properties eligible for tax-exempt financing, Dougherty & Company LLC will underwrite the tax-exempt bonds through its in-house securities broker/dealer.

**Assumption:** Available, subject to lender's review and approval and 1% fee

### Requirements and Fees

**Affordability Restrictions:** Low-income qualifying restrictions; 20% or more units rented to families earning at or below 50% of Area Median Income (AMI), or 40% or more units rented to families earning at or below 60% of AMI. Restrictions must be recorded

**Reserves:** Deposits required for Replacement Reserves, Taxes, and Insurance

#### Processing Fee:

- ❖ Typically \$15,000 – Includes cost of Third Party Reports (Appraisal, Environmental and Physical Needs Assessment) and Lender Due Diligence
- ❖ Borrower is responsible for Legal Fees and Standard Closing Costs

**Commitment Fees:** Competitive and negotiable

**Rate Lock Fee:** 2% of loan amount for rate lock periods up to 90 days – refunded following delivery

*\*Contact us for current rates and terms*