

# DOUGHERTY MORTGAGE LLC

## Fannie Mae Tax-Exempt Bond Credit Enhancement

### Summary

Fannie Mae's Multifamily Housing product line provides credit enhancement for tax-exempt bonds issued to finance the acquisition, new construction, refinancing, or moderate or substantial rehabilitation of multifamily properties.

#### Eligibility:

- ❖ Multifamily Affordable Housing (MAH) properties with Low Income Housing Tax Credit (LIHTC) rent restrictions
- ❖ New money issues, refundings, or credit substitutions where Fannie Mae takes the place of an existing credit enhancer without the issuance of new bonds
- ❖ Fixed-rate bonds only
- ❖ Taxable tail financing may be available

**Loan to Value:** The greater of 90% of market value or 80% of adjusted value for LIHTC properties with 90% or more of the units using tax credits; the greater of 85% of market value or 75% of adjusted value for all others.

**Loan Term:** 10 years (15 years for new construction/substantial rehab) to 30 years

**Amortization:** Up to 30 years

**Debt Service Coverage Ratio:** 1.15x for properties with 90% or more of the units using tax credits; 1.20x for all others

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

**Prepayment:** Fee maintenance is standard; declining prepayment penalty options are available

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

**Third Party or non-Fannie Mae 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.

### Requirements and Fees

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

#### Processing Fee:

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

**Commitment Fees:** Competitive and negotiable

*\*Contact us for current rates and terms.*