

# FANNIE MAE MODERATE REHABILITATION PROGRAM

Greystone Servicing Corporation, Inc.  
www.greystone.com

Description	Non-recourse, assumable financing for the acquisition or refinance of conventional multifamily properties with planned capital improvements in excess of \$10,000 per unit for the entire property.
Loan Amount	Minimum \$10,000,000; Supplemental Loans are available (see below)
Loan Terms	5-, 7-, 10-, or 15-year balloons; 20-, 25- and 30-year fully amortizing. Rehabilitation work must be completed within 3 years of closing.
Amortization	30 years maximum; interest only is available
Loan to Value Maximum	Maximum 80% of the lower of a) as stabilized appraised value, or b) if property has been purchased within the past 12 months, 80% of purchase price, plus value added renovation, plus 3% closing costs.
Coverage Minimum	1.25x
Borrower	Domestic single asset borrowing entity is required
Interest Rate	Risk-based pricing; Fixed rate transactions are benchmarked off of the associated Treasury Bill; Adjustable rate transactions are benchmarked off of 30 or 90 day LIBOR
Prepayment	Yield Maintenance, Defeasance, and Declining Prepayment Premium
Third Party Reports	MAI Appraisal, Physical Needs Assessment, and Environmental Phase I Assessment
Reserves	Tax and Insurance escrows are required; Repair and Replacement escrow funding is required.
Completion Repair & Rehabilitation Reserve Agreement	If \$20,000 per unit repairs or higher, a Rehabilitation Work Evaluation Report is required. A Completion Repair Guaranty that covers the entire scope of the rehabilitation work is required. Borrower must execute a Modifications to Multifamily Loan and Security Agreement and must: 1) identify on the Rehabilitation Work Schedule the planned scope of the Rehabilitation Work, including all of the Rehabilitation Work items, estimated costs, allowance for cost overruns, and completion dates; and 2) complete a budget for the planned Rehabilitation Work, and fund into the Rehabilitation Reserve Account: the entire budgeted amount of all Rehabilitation Work not identified as Completion/Repairs by the PCA;
Application Fee	\$25,000; covers 3rd party reports and processing/underwriting costs
Origination Fee	Fannie Mae requires minimum origination fee equal to 1% of loan amount for loans of \$9 million or less; Minimum fee for loans over \$9 million through \$20 million is the greater of 0.8 percent or \$90,000; Fees decrease further as increasing loan size; Origination fee can be charged "outside" of the interest rate as a separate fee, or it can be built into the rate
Legal Fees	\$15,000 to \$20,000, varying with characteristics of the transaction
Timing	45-60 days from application to commitment; dependent on 3rd party report timing and borrower's submission of due diligence

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Rate Lock	Rate lock occurs after borrower's acceptance of commitment
Assumability	Loan is assumable, subject to lender approval of proposed replacement borrower; Fees include 1% assumption fee, part of which is paid to Fannie Mae, and a \$3,000 processing fee to cover lender's underwriting expenses
Mod Rehab Supplemental	<ul style="list-style-type: none"><li>■ has identical underwriting requirements and pricing levels as a new Mortgage Loan;</li><li>■ is available up to 36 months following origination of the Moderate Rehabilitation Mortgage Loan; and</li><li>■ is allowed in addition to a Supplemental Mortgage Loan.</li></ul>