

# FANNIE MAE DUS<sup>®</sup>

**Tax-Exempt Bond Credit Enhancement:** Through Arbor's DUS<sup>®</sup> Tax Exempt Bond Credit Enhancement program, Fannie Mae will provide credit enhancement for fixed or variable rate tax-exempt bonds to finance acquisitions, new construction properties (in conjunction with a forward commitment), moderate or substantial rehabilitation and refinancing of existing debt. Eligible properties will qualify as affordable housing. Transactions may be structured as new money issues, refunding issues, or credit substitutions where Fannie Mae takes the place of an existing credit enhancer without the issuance of new bonds.

## Loan Amount

\$2,000,000 minimum

## Loan Term

10 to 30 Years

## Amortization

Up to 30 Years

## Minimum DSC

1.15 for fixed rate  
1.0 for variable rate

## Maximum LTV

85% - 90%

## Fixed Rate

Yes

## Variable Rate

Priced off the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index. Invest rate cap required.

## Eligible Property

Multifamily, minimum five units

## Eligible Borrower

Single-asset entity

## Occupancy Requirement

90% physical occupancy for 60 days at application, 90 days at commitment

## 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 misrepresentation can be waived for 100% restricted properties.

## Commercial Space

Maximum 20% of net rentable area and maximum 20% of effective gross income

## Required Reports

Appraisal, Property Condition Assessment and Phase 1. Market study may be required for certain properties.

## Assumable

Subject to approval and 1% fee

## Subordinate Financing

Allowed subject to approval

## Pricing

Tiered Pricing Matrix. More favorable terms available for higher DSC and lower LTV.

## Rate Lock

For fixed-rate bonds, rate lock usually occurs three to four days before closing at time bonds are sold.

For variable-rate bonds, rate lock is at bond market associate index on the date interest rate cap purchased.

## Application Deposit

\$30,000 for fixed rate; \$35,000 for variable rate. Covers estimated underwriting costs (including processing fee).

## Processing Fee

\$3,000 non-refundable

## Origination Fee

Minimum 1.5%

## Legal / Closing Fee

Fees for Arbor Counsel and Fannie Mae Counsel will be determined at application



Growing Financial Partnerships