

# MBS Unfunded Forward Commitment

Fannie Mae Multifamily offers an unfunded forward commitment to issue an MBS upon completion of construction and conversion to a permanent mortgage loan for multifamily affordable properties. The **MBS as Collateral for Tax-exempt Bonds (M.TEB)** execution is an available option.

## Overview

<b>Construction Phase Term</b>	24 or 30 months, plus one delegated six-month extension.
<b>Interest Rate</b>	Fixed Rate.
<b>Good Faith Deposit</b>	1 - 3% of the forward commitment loan amount, due at issuance of the Forward Commitment, refundable upon conversion.
<b>Forward Standby Fee</b>	A one-time, up-front fee based on the term of the Forward Commitment, which may include the option to lock the Guaranty & Servicing fee.
<b>Forward Rate Lock</b>	24 or 30 month commitments. One six-month extension available.
<b>Delivery Tolerance</b>	+/- 10%
<b>Subordinate Delivery Assurance Mortgage</b>	Required when dictated by the terms of the MBS Investor or Bond Buyer.
<b>M.TEB Additional Considerations</b>	During the construction phase, the M.TEB execution requires the bonds to be cash collateralized with proceeds of a side-by-side construction loan and bond loan. The MBS will be delivered as bond collateral after conversion, following the M.TEB delivery guidelines.



## Benefits

- Protection from interest rate volatility by locking the interest rate and other key provisions prior to construction
- Single asset security allows for customized loan structures
- Certainty and speed of execution
- M.TEB execution offers reimbursement of certain Costs of Issuance

## Eligibility

- LIHTC new construction and properties undergoing substantial rehabilitation, including preservation and rural transactions
- Lenders approved to deliver forward commitments under Fannie Mae's Multifamily Affordable Housing product line

## For More Information

Contact your Hunt Mortgage Group representative.

**Permanent Loan Key Terms**

<b>Conversion to Permanent Loan</b>	The permanent loan will close upon project completion with certificates of occupancy for all units and 90% occupancy for 90 consecutive days. The permanent loan must meet Fannie Mae's underwriting requirements.
<b>Term</b>	Up to 30 years.
<b>Amortization</b>	Up to 35 years.
<b>Maximum LTV</b>	90%.
<b>Minimum DSCR</b>	1.15x.