



FANNIE MAE DUS[®] **Manufactured Housing Community Loans**

Arbor's Fannie Mae DUS Manufactured Housing Community (MHC) loans provide competitive pricing and flexible terms and function as a major source of liquidity for affordable housing community owners.

MINIMUM LOAN AMOUNT	\$750,000
LOAN TERM	5 to 30 years
AMORTIZATION	Up to 30 years
MINIMUM DSCR	1.25x
MAXIMUM LTV	80%
INTEREST RATE	Fixed- and variable-rate options available
ELIGIBLE PROPERTIES	<ul style="list-style-type: none"> • Existing, stabilized, professionally managed MHC, with or without age restriction, having a minimum of 50 pad sites • Quality Level 3, 4, or 5 communities
ELIGIBLE BORROWER	Single asset entity; At least one Key Principal of the Borrower should have experience in operating MHC
PROPERTY CONSIDERATIONS	<ul style="list-style-type: none"> • MHC may be either age-restricted or all age (family community) • The percentage of tenant-occupied homes generally may not exceed 35% • Density is based on market norms and generally should not exceed 12 Manufactured Homes per acre for an existing community and seven Manufactured Homes per acre for a new community • With limited exceptions, all Manufactured Homes should conform to applicable Manufactured Housing HUD Code standards • Leases with two-year terms or longer cannot contain a tenant option to purchase the pad site • Additional pricing incentives available for non-traditional MHC ownership forms (e.g., non-profit, government entity, or resident-owned) • Additional pricing incentives available for Borrowers implementing Tenant Site Lease Protections
ESCROWS	Funding of tax and insurance escrows depends on leverage level; Replacement reserve escrow is typically not required
RECOURSE	<ul style="list-style-type: none"> • Nonrecourse execution with standard carve-outs for "bad acts" such as fraud and bankruptcy • For loans with the pricing incentive for having minimum Tenant Site Lease protections, a Limited Payment Guaranty for 10% of the Mortgage Loan amount is required
THIRD-PARTY REPORTS	Standard third-party reports required, including Appraisal, Property Condition Assessment and Phase I Environmental Site Assessment

**THIRD-PARTY REPORTS COST REIMBURSEMENT**

Fannie Mae will reimburse the cost of third-party reports up to \$10,000 for Communities with Tenant Site Lease Protections implemented for at least 50% of the Sites, or if the community is owned by a non-profit entity. Minimum site lease protections must include:

- One-year renewable lease term for the site unless good cause for nonrenewal
- 30-day written notice of site rent increases
- 5-day grace period for site rent payments and right to cure defaults on site rent
- Rights of tenants to:
 - Sell the manufactured home without having to first relocate it out of the community
 - Sublease the home or assign the site lease to a new buyer, so long as the new buyer meets the minimum MHC rules and regulations and the borrower's credit standards for new tenants, consistent with the market
 - Post "for sale" signs that comply with the MHC rules and regulations
 - Sell the home in place within 45 days after eviction and receive at least 60 days' advance notice of any planned sale or closure of the community

PREPAYMENT AVAILABILITY

- Flexible prepayment options are available
- Mortgage Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate loans or graduated prepayment for variable-rate loans

ASSUMPTION

Mortgage Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience

SUPPLEMENTAL FINANCING

Supplemental Mortgage Loans are available

RATE LOCK

30- to 180-day commitments; Borrowers may use the Streamlined Rate Lock option

ACCRUAL

30/360 and Actual/360

MINIMUM UNDERWRITTEN VACANCY/COLLECTION LOSS

Minimum 5% economic vacancy assumption