



FANNIE MAE® **Unfunded Forward Commitment**

Arbor 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 for 4% LIHTC transactions.

BENEFITS	<ul style="list-style-type: none"> • 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 up to 75 bps
ELIGIBILITY	<ul style="list-style-type: none"> • LIHTC new construction and properties undergoing substantial rehabilitation, including preservation and rural transactions • Lenders approved to deliver forward commitments under Fannie Mae's Affordable Housing product line
INTEREST RATE	<ul style="list-style-type: none"> • 9% LIHTC: Fixed Rate • 4% LIHTC: Fixed or Variable Rate
GOOD FAITH DEPOSIT	1% of the loan amount, due at issuance of the Forward Commitment, refundable upon conversion
FORWARD RATE LOCK	24 to 36- month commitments; one delegated six-month extension available
FORWARD STANDARD FEE	<ul style="list-style-type: none"> • 9% LIHTC: 10 bps paid upfront prior to rate lock. • 4% LIHTC: 15 bps <i>per year</i> paid upfront prior to rate lock.
DELIVERY TOLERANCE	<ul style="list-style-type: none"> • 9% LIHTC: +5% and -10% is available • 4% LIHTC: The original principal amount of the permanent Mortgage Loan must not be greater than 100% of the amount of the Unfunded Forward Commitment
CONVERSION TO PERMANENT LOAN	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
ADDITIONAL CONSIDERATIONS	<ul style="list-style-type: none"> • 9% LIHTC: Second lien Delivery Assurance Note and Mortgage are necessary if required by Fannie Mae or the Bond Investor • 4% LIHTC: 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.
TERM	10 to 30 years
AMORTIZATION	Up to 35 years
MAXIMUM LTV	<ul style="list-style-type: none"> • 9% LIHTC: 90% • 4% LIHTC: 90% for deals with 90% or more affordable units. 85% for less than 90% affordable units. 80% for refundings.
MINIMUM DSCR	<ul style="list-style-type: none"> • 9% LIHTC: 1.15x • 4% LIHTC: 1.15x for deals with 90% or more affordable units. 1.20x for all other deals.