

Fannie Mae Manufactured Housing Communities



Term Sheet

Fannie Mae's Manufactured Housing Community (MHC) product offers flexible financing terms and favorable pricing for ground lease manufactured housing communities.

Eligible Properties

High-quality, professionally managed manufactured housing communities, with or without age restrictions, with a minimum of 50 sites.

Eligible Borrowers

Standard Fannie Mae DUS[®] requirements. At least one key principal of the borrower should have experience in operating manufactured housing communities.

Eligible Lenders

Delegated Underwriting and Servicing (DUS[®]) lenders experienced in financing manufactured housing communities and approved by Fannie Mae for participation in the product.

Loan Amount

\$3 million minimum; no maximum loan amount.

Loan Term

Terms ranging from 5 to 30 years are available. Terms of 5, 7, 10, 15, 18, 20, 25 or 30 years are standard.

Amortization

25 years; 30 years is available on a case-by-case basis.

Maximum LTV

80%

Recourse Requirements

Non-recourse execution is available. Standard carve-outs to non-recourse for "bad acts" such as fraud are required.

Minimum Vacancy and Collection Loss

Minimum 5% economic vacancy assumptions; 10% on allowable commercial income. Properties that demonstrate exceptional occupancy history may be underwritten using a smaller vacancy rate.

Escrows

Standard Fannie Mae DUS[®] escrow requirements for taxes and insurance. Replacement Reserves: minimum of \$25 per site per annum (may be waived).

Third-Party Reports

Standard third-party reports – Appraisal, Phase I Environmental Assessment, and a Physical Needs Assessment – are required.

Pricing

Standard Fannie Mae DUS[®] Pricing.

Assumption

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

Prepayment Provisions

Standard Fannie Mae DUS[®] terms.

Supplemental Financing

Fannie Mae DUS[®] Supplemental Loans are available, providing the opportunity for additional proceeds for communities in the final stages of lease-up or with expansion phases.

To learn more about SunTrust Commercial Real Estate, visit suntrustcre.com.

This term sheet is only for the purpose of setting forth standard required terms of a Fannie Mae product for informational purposes and a basis upon which the parties may be agreeable to proceed toward a potential transaction and is not intended to be a legally binding contract or to impose any liabilities or obligations on any party. The terms reflected in this term sheet are subject to change or withdrawal at any time in SunTrust Bank's sole discretion (due to market conditions or otherwise) and do not constitute a binding offer to enter into a transaction. Finalized terms and conditions are subject to further discussion and negotiation and would be evidenced by execution of definitive documentation acceptable to the parties, and it is understood that this term sheet does not set forth all of the terms of such definitive documentation. Standard credit criteria apply.