

Cooperative Properties

Fannie Mae Multifamily provides financing options for properties in which the residents collectively own the building and property through their shares in the cooperative corporation. The cooperative corporation grants occupancy rights to the shareholder tenants through proprietary leases.

Fannie Mae Multifamily works with its lenders to provide borrowers with the financing solutions they need.

For more information, please contact:



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Benefits

- Flexible loan terms
- Competitive pricing
- Certainty and speed of execution
- Customized solutions

Eligibility

- Existing stabilized Cooperative Properties in eligible Cooperative Property markets
- Cooperative corporations with strong management and solid operating history
- Limited equity cooperative properties for low- and moderate-income families are also eligible
- Overall Property condition rating of two or better

fanniemae.com/multifamily 

Our terms at a glance

Cooperative Properties

Term	5 - 30 years.
Amortization	Up to 30 years.
Interest Rate	Fixed-rate.
Maximum LTV	55% (on a market rental basis).
Minimum DSCR	1.0x on actual underwritten operations; 1.55x when utilizing market rate rentals.
Property Considerations	<p>The property management company is required to have experience with cooperative properties of like size and market.</p> <p>Reserve balance must be equal to or greater than 10% of annual maintenance fees.</p> <p>Maintenance fees must be sufficient to achieve a balanced budget.</p> <p>High levels of ownership by one sponsor or investor (in excess of 40%) will require additional due diligence.</p>
Supplemental Financing	Supplemental Loans are available.
Prepayment Availability	Loans may be voluntarily prepaid upon payment of yield maintenance.
Rate Lock	30- to 180- day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option.
Recourse	Non-recourse execution is available with standard carve-outs for "bad acts" such as fraud and bankruptcy.
Escrows	Replacement reserve, tax, and insurance escrows are typically required.
Third-Party Reports	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
Assumption	Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience.