

Fannie Mae Multifamily

Mortgage-Backed Securities: Credit Facilities

Fannie Mae partners with its lenders to offer a range of financing products suited to the needs of multifamily borrowers. Among these products are Credit Facilities, which provide capital to highly experienced, qualified borrowers that manage large real estate portfolios. For investors in our Mortgage-Backed-Securities (MBS), Credit Facilities present diversified pools of multifamily assets.

A Flexible Financing Tool

A Fannie Mae Credit Facility is a secured loan arrangement that allows borrowers to take multiple individual advances under a single Master Credit Facility Agreement to finance several multifamily properties. Originated by an approved Credit Facility lender, these agreements provide borrowers with ongoing borrowing capacity and the flexibility to add, substitute, or release properties from the facility over time. The option to secure both variable- and fixed-rate loans with various maturities and post-closing features supports the dynamic needs of sophisticated borrowers. Like other multifamily MBS loans, Credit Facility advances are acquired through our [Delegated Underwriting and Servicing \(DUS®\) program](#), where DUS lenders underwrite and service multifamily loans according to our standards and requirements.

Credit Facilities are tailored for well-capitalized multifamily operators with large or growing portfolios. These borrowers are typically seasoned real estate investment trusts, private equity real estate sponsors, or large multifamily owner-operators with cash-flowing assets.

Credit Facilities and Fannie Mae MBS

While Credit Facilities are dynamic in nature, Fannie Mae employs a consistent, well-established process to securitize individual advances drawn on Credit Facilities into MBS. This approach allows investors to purchase MBS that align with their requirements while benefiting from the collateral backing the entire Credit Facility.

- Every advance on a Credit Facility is eligible for securitization if it meets the Master Credit Facility Agreement and other underwriting criteria for Fannie Mae DUS MBS.
- At the time of securitization, the unpaid principal balance (UPB) of the advance is locked and disclosed to investors.

Typical Terms of a Credit Facility:

Minimum 5-year loan term Maximum loan term of 15 years for fixed-rate advances and 10 years for variable rate advances
Minimum initial advance of \$100 million, not to exceed any applicable Maximum Facility Limitations per the Credit Facility agreement
Loan-to-value (LTV) ratios up to 75% Credit Facilities that only include Multifamily Affordable Housing Properties may have LTV ratios up to 80%
Minimum Debt-Service-Coverage-Ratio (DSCR) of 1.25x
Fixed or variable interest rates Limited concentration of ARMs permitted in each Credit Facility
Non-recourse structure with standard recourse exceptions for events such as fraud and bankruptcy
Optional property release, substitution, addition rights, and advances subject to underwriting approval

For more information on the loan characteristics and terms, refer to the [Credit Facility webpage](#).

- Each individual MBS in a Credit Facility is backed by a single advance and is collateralized by all the properties included in the Credit Facility, meaning no individual property is linked to a specific MBS pool. Every advance is securitized into a separate MBS.

Borrower Flexibility and MBS Protections

Multifamily borrowers may add, substitute, or release properties within a Credit Facility; however, such actions are subject to property coverage tests, timing restrictions, underwriting standards, borrower performance covenants, and Fannie Mae approval requirements. These conditions are outlined in the Master Credit Facility Agreement and other loan documents. Once an advance on a Credit Facility is securitized into an MBS:

- the trust agreement and offering documents describe any mortgaged property substitution, addition or release options available to borrowers; and
- property changes generally must not impair the Credit Facility or disrupt the associated cash flows.

A unique feature of Credit Facilities is the borrower's flexibility to release properties or downsize the facility, which may result in partial prepayments of the MBS backed by the associated advances. This contrasts with standard DUS MBS, where such prepayments are less common. Similar to standard DUS MBS, fixed-rate advances are generally structured with yield maintenance provisions that decline over time based on the loan's remaining term. For adjustable-rate mortgage advances, the prepayment premium may be either a fixed amount or a declining percentage of the UPB.

If a borrower prepays a portion of a Credit Facility advance due to property release, investors may receive a corresponding partial prepayment of their MBS, along with their share of any applicable prepayment premium. The MBS prospectus details how these premiums are calculated. For additional detail, refer to the [DUS Program Overview](#).

While prepayments may occur, the cross-collateralization and cross-default provisions embedded in Credit Facilities help mitigate default risks. These features enable borrowers to support underperforming assets with cash flows from stronger-performing properties, helping to maintain consistent payments across the facility.

Credit Facility Provisions and MBS Impact

Borrower Action	General Conditions for Changes	Potential Implications for Existing Credit Facility MBS
Add Property	<ul style="list-style-type: none"> • The proposed property must be underwritten according to Fannie Mae's standards and meet individual property coverage and LTV tests prior to and after addition • Generally, aggregate DSCR and LTV levels must be maintained after such addition • The borrower may not be in default under the Master Credit Facility Agreement or other loan documents 	<ul style="list-style-type: none"> • If securitized, the addition does not adversely affect existing MBS • Addition enhances collateral base for overall facility • May include the issuance of a new advance, resulting in a new MBS issuance if securitized
Substitute Property	<ul style="list-style-type: none"> • The new property must be underwritten according to Fannie Mae's standards and meet individual property coverage and LTV tests at the time of closing • Generally, aggregate DSCR and LTV levels must be maintained after such substitution • The borrower may not be in default under the Master Credit Facility Agreement or other loan documents 	<ul style="list-style-type: none"> • Substitutions generally have a neutral effect on any existing MBS backed by advances on the related Credit Facility
Release Property	<ul style="list-style-type: none"> • The facility must meet coverage and LTV tests after release • Generally, aggregate DSCR and LTV levels must be maintained after such release 	<ul style="list-style-type: none"> • Principal prepayments associated with the release are passed through to the MBS investor • Prepayment premiums associated with full or partial prepayments of principal will be passed through to the investor when collected according to the terms of the related disclosure • Borrower generally has discretion on how to apply prepayments across all advances in a Credit Facility


Future Advances	<ul style="list-style-type: none"> Allows for property additions, borrow-ups, substitutions, tranche refinancing, or conversion of a mortgage loan from a variable to a fixed rate Permitted only during a defined period outlined in the Master Credit Facility Agreement and other loan documents The overall Credit Facility must meet DSCR and LTV tests immediately before and after the issuance of the new advance 	<ul style="list-style-type: none"> Future advances, if securitized, are issued as separate MBS New MBS issuance may occur based on advance balance without dilution of existing pool exposure
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DUS Disclose®

Investors can access financial and ongoing performance data on Credit Facilities, their related MBS, and property-level details directly through [DUS Disclose](#), Fannie Mae's multifamily disclosure platform. Credit Facility transactions can be located using the Advanced Search tool by filtering for *product type* or by entering the security pool number, transaction ID, or CUSIP to navigate directly to a specific Credit Facility page. Key financials are presented at the facility level, and various dashboards display individual asset details, including property status—such as *released*, *substituted*, or *same as at contribution*. Credit Facilities do not carry social or green designations.


To support navigation, a Quick Reference Guide, along with additional tools such as a disclosure glossary, FAQ, and file layout guides, are available in the [DUS Disclose Learning Center](#). The following snapshots show a sample Credit Facility deal summary from DUS Disclose.

Example of a Credit Facility Deal Summary – Pool BZ1770




Fannie Mae[®]


DUS DISCLOSE




Transaction ID or CUSIP




Advanced Search




Resources



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Notifications



Account

Credit Facility Deal Summary (as of the most recent issuance)

Pool BZ1770

Total Issuance UPB

\$848,945,000.00

Additional Loans Allowed

Yes

Max Permitted LTV

55.00%

Property Release Allowed

Yes

Min Permitted DSCR- Fixed

1.55x

Property Substitution Allowed

Yes

Min Permitted DSCR- ARM

1.30x

Property Additions Allowed

Yes

Total Current UPB

\$848,945,000.00

Total Collateral Value

\$1,683,170,000.00

Properties

17

LTV

50.40%

Property Value

\$1,683,170,000.00

Financials

Underwritten

(Scaling 2 Months)

(Scaling 12 Months)

2024 (Preceding)

2023 (Qnd Preceding)

2022 (Qnd Preceding)

NCF DSCR

2.11x

n/a

n/a

2.05x

2.55x

2.58x

NCF DSCR (w/O)

2.11x

Economic Occupancy

n/a

Related Securities

Transaction ID

CUSIP

Status

Current Balance

Issue Date

Maturity Date

BZ1910

3140NVDQ5

Active

\$35,000,000.00

10/01/2024

10/01/2031

BZ1813

3140NVYK7

Active

\$56,828,000.00

09/01/2024

09/01/2034

BZ1770

3140NV8G7

Active

\$42,500,000.00

09/01/2024

09/01/2031

Credit Facility Deal Summary – Pool BZ1770, continued

Properties				
Property Name	City	State	Metropolitan Statistical Area	Status
1000 Grand	Los Angeles	CA		Same as at Contribution
640 North Wells	Chicago	IL	n/a	Same as at Contribution
IO Piazza by Windsor	Arlington	VA	n/a	Same as at Contribution
Midtown Houston by Windsor	Houston	TX	n/a	Released



Credit Risk Management

Fannie Mae mitigates potential losses through comprehensive upfront underwriting and loan structuring. The ongoing monitoring of borrower and property performance is complemented by lender loss sharing, and MBS investors benefit from Fannie Mae’s guaranty of timely principal and interest payments. For more details about multifamily credit risk management, please refer to our multifamily credit risk management [deck](#) and [primer](#).

Credit Characteristics and Historical Performance

[Data Dynamics®](#), our free analytics platform, provides loan acquisition and performance data for Multifamily MBS, filterable by loan product types such as Credit Facilities. The chart below shows Credit Facility acquisition data across the preceding 10 years. The DUS prepayment history dashboard provided in Data Dynamics does not currently include information on Credit Facilities.

As of December 31, 2024, Credit Facilities comprised 11.8% of our multifamily guaranty book of business by UPB.

Loan Profile by Acquisition Year: Credit Facilities

Acquisition Year	Original Loan Count	Loan Acquisition UPB (\$ in millions)	% of Total Loan Acquisition UPB	Average Loan Acquisition UPB (\$ in millions)	WA Acquisition Note Rate	WA Loan Acquisition LTV	WA Under-written DSCR	WA Original Loan Term	% Full IO	% ARM	% Credit Facility & Bulk Deliveries
2015	38	\$3,157	4.29%	\$83.1	2.98%	64.4%	1.97x	120	38.3%	44.8%	100%
2016	70	\$4,407	5.99%	\$63.0	3.56%	69.8%	1.47x	109	17.5%	17.6%	100%
2017	138	\$10,056	13.67%	\$72.9	3.78%	65.6%	1.51x	120	30.7%	44.5%	100%
2018	125	\$8,947	12.16%	\$71.6	4.20%	65.3%	1.62x	115	38.1%	25.7%	100%
2019	104	\$8,023	10.90%	\$77.1	3.83%	63.6%	1.74x	113	54.6%	23.2%	100%
2020	125	\$10,550	14.34%	\$84.4	2.72%	63.2%	2.33x	130	68.0%	17.1%	100%
2021	117	\$5,314	7.22%	\$45.4	2.82%	64.2%	2.02x	119	54.9%	23.7%	100%
2022	171	\$9,310	12.65%	\$54.4	3.97%	59.6%	1.80x	115	70.0%	39.6%	100%
2023	86	\$7,498	10.19%	\$87.2	5.66%	54.4%	1.65x	90	90.6%	0.4%	100%
2024	77	\$6,309	8.58%	\$82.0	5.67%	59.4%	1.58x	87	77.2%	0.1%	100%
Grand Total	1,051	\$73,572	100.00%	\$70.0	3.95%	62.7%	1.78x	113	55.9%	23.9%	100%

Source: Fannie Mae Data Dynamics. Data as of December 31, 2024.

Contact us

For additional information or assistance, please contact the Fannie Mae Investor Marketing Helpline at 1-800-2FANNIE or by [email](#).