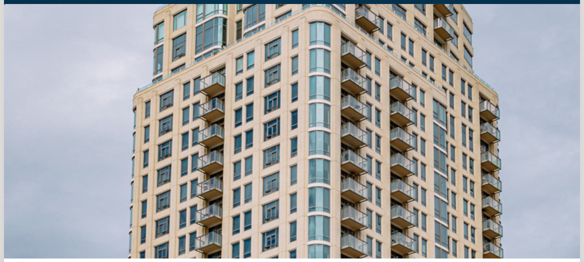
How can Sponsor-Initiated Affordability help borrowers?

Any borrower can designate units as affordable for their properties. SIA incentivizes borrowers to create or preserve affordable and workforce housing units by setting aside 20% of units affordable to renters earning 80% or less of Area Median Income (AMI). Here's how it can work.

Scenario 1: Conventional



- Class A in high-cost area
- Restricts 20% of units at 80% AMI
- Creates affordable units ahead of anticipated tax abatement
- Bridges the gap between current state and getting anticipated restrictions in place

Loan amount: $30,000,000

Number of units: 158

Location: Washington, D.C.

Scenario 2: Naturally Occurring Affordable Housing

- Class B over small-loan threshold (>$6 million)
- Restricts 30% of units at or below 70% AMI
- Preserves affordability for the life of the loan
- Supports strategy with SIA's preferential pricing

Loan amount: $8,000,000

Number of units: 65

Location: Chicago, IL

Scenario 3: Workforce Housing

- Class B
- Restricts 60% of units at 60% AMI
- Combines SIA with Healthy Housing Rewards™ Enhanced Services as part of long-term affordability strategy
- Supports goal of ensuring rent and tenancy stability for the life of the loan

Loan amount: $12,243,000

Number of units: 212

Location: Dallas, TX

Fannie Mae®