

The Power of MBS as Tax-Exempt Bond Collateral

MBS as Tax-Exempt Bond Collateral (MTEB) combines the ease of our MBS execution with all the benefits of tax-exempt bonds, giving borrowers a lower interest rate and significant savings over the life of the loan.

Fannie Mae issues MBS that can be used as collateral for either existing bond refunding or new bond issues in conjunction with 4% Low-Income Housing Tax Credits (LIHTC). Options are available for taxable or tax-exempt and fixed- and variable-rate bonds.

The platform you trust. The flexibility you need.

Powered by the DUS® model's certainty of execution, MTEB is already an attractive financing option on its own. It is customizable when combined with other Fannie Mae products, such as Moderate Rehabilitation Supplementals, Green Financing, or Healthy Housing Rewards™ — or even all three. Its scope has also expanded to meet the needs of more affordable property types, increasing its agility in an ever-evolving multifamily market.

Learn more about eligibility and terms on [our website](#).



Fannie Mae®

Combine with Green Financing •

Save on energy costs — and on financing.

MTEB and Green Financing maximize value, attracting a broad investor base that includes municipal bond and social impact investors. In 2019, we partnered with Wells Fargo on Noble Tower, our first transaction marketed as a Green MTEB. The property is projected to save \$60,000 in annual utility costs upon completion of retrofits.

Combine with Healthy Housing Rewards •

Making properties better, in more ways than one. While MTEB allows for the preservation and rehabilitation of affordable communities, Healthy Housing Rewards (HHR) can help residents within those communities through healthy design or enhanced resident services. Amani Place, a transaction with Capital One, combined MTEB with both HHR Healthy Design and Green Rewards, and the loan was eligible for a Mod-Rehab Supplemental upon rehab completion.

Utilize Cost of Issuance Reimbursement or Sell Bonds at a Premium •

Offset costs with Cost of Issuance (COI) reimbursement or by selling the bonds at a premium. Fees can add up on publicly offered bond transactions. We offer innovative solutions to the market by creating optionality to offset project costs.

The Flexibility of MTEB

Combine with Moderate Rehabilitation Supplemental

Built for building value. With Mod-Rehab Supplementals, the sponsor does not have to refinance to access additional capital and secures pricing lower than what's generally available on supplemental loans.

Use with Various Affordability Programs and Bonds

A product that works for you — and with you. Our affordable team offers excellent service and expertise on a variety of MTEB uses:

- New construction through the MBS Forward.
- 501(c)(3) tax exempt bonds with no tax credits.
- Workforce housing for non-LIHTC forwards.
- 9% LIHTC, which has secured much lower rates than forward-locked products.

MTEB Deal Spotlight: Fairbank Apartments

With KeyBank, Fannie Mae financed an \$18.94 million acquisition/rehab of Fairbank Apartments in New Haven, CT. Fairbank, a nine-story building constructed in 1973, is subject to a Land Use Restriction Agreement (LURA) that restricts its 121 units to 50% or 60% of area median income (AMI). 93% of units are also covered by a new Section 8 HAP Contract.

MTEB offers the right tools and the right team to win transactions — and this deal's success is case in point. The **Cost of Issuance (COI) reimbursement and premium execution on bonds** significantly offset the transaction, and our affordable experts provided speed, agility, and a smooth execution. For seasoned and new Fannie Mae Borrowers, MTEB is a powerful financing option.

