



## Community Impact – Housing Bonds Frequently Asked Questions

### What is a Community Impact – Housing Bond?

It is an agency-specified pool residential mortgage-backed security that is comprised of a pool of residential mortgage loans originated by mortgage companies, banks and other financial institutions. Groups of individual loans (pools) are submitted to Ginnie Mae, Fannie Mae and Freddie Mac for validation and securitization, and can then be offered to various investors.

Multi-Bank Securities, Inc. provides the resources whereby institutional investors have the opportunity to direct their agency residential mortgage-backed securities into selected geographic areas, communities and/or interest groups.

### What are the benefits of working with Multi-Bank Securities, Inc.?

Multi-Bank Securities, Inc. is a FINRA-registered, veteran-owned broker-dealer with more than 14 years of experience sourcing, identifying, structuring, analyzing and distributing CRA-eligible, Ginnie Mae, Fannie Mae, Freddie Mac residential and commercial mortgage-backed securities from its multi-source originator/servicer/provider supply network. These transactions may be executed through mutually acceptable counterparties.

### What types of institutions purchase Community Impact – Housing Bonds?

Financial institutions and investors that have specific interests, mandates and/or requirements to help, support or benefit specific geographic areas and/or groups.

### What are the typical characteristics of these mortgage pools?

- United States, Puerto Rico, U.S. Virgin Islands & Guam property loans only.
- One to four family unit property loans only.
- \$1 million minimum investment.
- Standard agency loan collateral underwriting.

### What type of documentation will be issued for this investment?

This sample offering is an example of the documentation you will receive after this investment has been purchase and settled. Interim documentation will be utilized and reviewed as the pool is being formed. Additional information may be provided if available upon request. This particular sample offering is a Ginnie Mae II collateral pool limited to veteran-only loans in the state of Florida.

### What are the advantages of a Community Impact – Housing Bond investment for my organization?

Ginnie Mae mortgage-backed securities are backed by the full faith and credit of the U.S. Treasury. Fannie Mae/Freddie Mac securities of this type are backed by an implied AAA credit, due to U.S. Treasury ownership of those agencies. The investments that will be offered here will provide a higher return than comparable duration U.S. Treasury bonds.

Additionally, because the pools are composed of your specifically requested attributes, your investment can target selected social/economic/geographic groups that may have been identified by the Federal Emergency Management Agency (FEMA) or the Federal Financial Institutions Examination Council (FFIEC).

## How do these Community Impact – Housing Bonds benefit local communities?

- Encourages home ownership for all identified groups and geographic areas.
- Creates local jobs and business opportunities for local workers, building contractors and suppliers, realtors and associated financial services providers, mortgage originators and banks.
- Provides economic and social benefits for neighborhoods, communities, school districts, tribes, local, county and state taxing authorities.

## What does the process look like?

Our indicative offering structures will represent raw loan pools that have not been securitized.

Final loan collateral selection and price agreement will take place before pools are submitted for securitization, and in some cases, trade execution cannot occur until the pool has been accepted by the issuing agency for securitization.

## Am I able to add or remove loans from my selected pool?

Specific additions and removals are permitted while the collateral pool under discussion is being structured and prior to a firm order to purchase the security.

We will provide the loan-level details used to verify investment objectives prior to securitization and execution.

## Are “All or None” (AON) orders accepted?

AON orders will not be accepted due to the possibility of minimal loan fallout that may occur during the normal securitization process.

## How long does it take to securitize these loan pools?

Because each requested specified pool will have different attributes, the availability of loan collateral can vary. Once we receive the specific request, we will be in a position to provide a transaction timeline. Generally speaking, if collateral is available an indicative pool may be offered within one week.

## Is there a secondary market for this type of security?

There is a secondary market for most all agency mortgage-backed securities. All variables that can affect value and pricing for all agency-specified pool residential mortgage-backed securities in the secondary market will apply to this investment as well.

## What types of fees are associated?

All costs and the Multi-Bank Securities, Inc. margin are included in the “all included” price to the buyer. There are no separate or additional fees for this investment.

## How do I get started?

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