

# FREDDIE MAC TAH EXPRESS

- Eight ARM and fixed-rate options
- Full-term interest-only available
- Up to 1.20x DCR and 80% LTV in Top Markets
- 30-year amortization
- Declining prepayment option
- Lower transaction costs
- Certainty of execution
- Efficiencies include: Single Counsel, Reduced underwriting time, Simpler loan documents

<b>MAXIMUM LOAN AMOUNT</b>	\$10 million or less in all markets
<b>LOAN PURPOSE</b>	Acquisition or Refinance
<b>LOAN TERMS</b>	5-, 7-, 10-, or 15-year fixed-rate loan 5-, 7-, or 10-year floating-rate loan
<b>AMORTIZATION</b>	30 years
<b>INTEREST-ONLY</b>	Partial-term interest-only; full-term interest-only may be available
<b>PREPAYMENT TYPES</b>	<p>Fixed-Rate Loans</p> <ul style="list-style-type: none"> <li>• Defeasance</li> <li>• Declining Schedule</li> <li>• Yield Maintenance</li> </ul> <p>Floating-Rate Loans</p> <ul style="list-style-type: none"> <li>• 1-year Lockout followed by 1%</li> <li>• Declining Schedule</li> </ul> <p>Declining Schedule based on loan term:</p> <p>5 year – (5%, 4%, 3%, 2%, 1%)</p> <p>7 year – (5%, 5%, 4%, 4%, 3%, 2%, 1%)</p> <p>10 year – (5%, 5%, 4%, 4%, 3%, 3%, 2%, 2%, 1%, 1%)</p> <p>15 year – (5%, 5%, 5%, 4%, 4%, 4%, 3%, 3%, 3%, 2%, 2%, 2%, 1%, 1%, 1%)</p>
<b>SUBORDINATE DEBT</b>	Permitted subject to non-negotiated Freddie Mac subordination agreement. Acceptable subordinate lenders limited to governmental entities, CDFIs and nonprofits.
<b>NET WORTH AND LIQUIDITY</b>	<p>Net Worth: Equal to loan amount</p> <p>Liquidity: Equal to 9 months of principal and interest</p>
<b>RECOURSE</b>	Non-recourse with standard carve-out provisions required
<b>INELIGIBLE PROPERTIES</b>	<ul style="list-style-type: none"> <li>• Seniors housing (AL, IL, ALC, SN) with resident services</li> <li>• Student housing (greater than 50% concentration)</li> <li>• Military housing (greater than 50% concentration)</li> <li>• LIHTC properties with LURAs in compliance years 1 through 11</li> <li>• Historic Tax Credit (HTC) properties with a master lease structure</li> <li>• Tax-exempt financing</li> <li>• Rehabilitation financing</li> </ul>

## ELIGIBLE TRANSACTIONS

Uncapped multifamily stabilized properties with one or more of the following affordable characteristics:

- LIHTC properties in at least year 11 of their compliance period
- Long-term HAP Contracts
- Regulatory Agreements that imposes rent/income restrictions
- Tax Abatements
- Section 8 Vouchers

Properties located in Small and Very Small Markets may have additional requirements

## ELIGIBLE BORROWERS

- The following borrower structures are permitted on loans under \$6 million:
  - Single Asset Entity (SAE)
  - Special Purpose Entity (SPE)
  - Irrevocable Trust
- The following Borrower structures are permitted on loans exceeding \$6 million:
  - SPE
  - SAE with additional restrictions as set out in the loan documents

# FREDDIE MAC TAH EXPRESS, CONT'D.

OCCUPANCY	Property must be stabilized at: A. 90% physical occupancy for the trailing 3-month average prior to Underwriting, <b>OR</b> ; B. 85% physical occupancy for the trailing 3-month average prior to Underwriting if the subject property has any of the following characteristics: i. Property is recently built or renovated in a Top Market ii. Property is <30 units iii. Acquisition with all of the following: <ul style="list-style-type: none"><li>Sophisticated acquiring sponsorship and management relative to current ownership</li><li>Appraised occupancy and/or rents materially higher than subject’s current operations</li><li>Subject property has not experienced volatile historical occupancy swings</li><li>No history of serious crime at the subject property</li></ul>		
REPLACEMENT RESERVES	Underwritten replacement reserves will be determined based on a rating established in the streamlined PNA. The rating will estimate the level of improvements needed over the life of the loan. The rating scale will be similar to below:		
	PROPERTY CONDITION RATING (PER FORM 1104)		RESERVE AMOUNT (PER UNIT PER MONTH)
	Above Average		\$250
	Average		\$300
	Below Average		\$350
ESCROWS	<ul style="list-style-type: none"><li>Real Estate tax escrow deferred for deal with an LTV ratio of 65% or less</li><li>Insurance escrow deferred</li><li>Replacement reserve escrow deferred for above average rated properties</li></ul>		
FIXED- AND FLOATING-RATE AMORTIZING DCRS AND LTV RATIOS	LTV and DCR requirements vary based on the market tier in which the property resides: Top Market, Standard Market, Small Market, or Very Small Market. To determine market tier, please consult the SBL Market Tiering list.		
		MAXIMUM AMORTIZING DCR	MAXIMUM LTV
	Top Market	1.20x*	80%
	Standard Market	1.25x	80%
	Small Markets	1.30x	75%
	Very Small Markets	1.35x	70%
*additional criteria apply			
FULL-TERM INTEREST-ONLY (IO) ADJUSTMENTS		ADD TO BASELINE	MAXIMUM LTV
	Top and Standard Markets	0.15x	70%
	Small Markets	0.15x	65%
	Very Small Markets	0.15x	60%
APPLICATION FEE	Greater of \$3,000 or 0.10% of the loan amount		