

# FREDDIE MAC MANUFACTURED HOUSING COMMUNITY LOAN

- Designed specifically for MHC funding
- Expands affordable housing options for underserved populations, particularly in rural and non-metro areas where MHCs are more prevalent
- Up to 25% of the homes can be rentals
- Predominately all-age or family

<b>TERM</b>	Up to 5-, 7- and 10-year terms; longer-term loans considered on a case-by-case basis
<b>LOAN SIZE</b>	\$1 million or larger
<b>MAXIMUM AMORTIZATION</b>	30 years
<b>INTEREST RATE</b>	Fixed- or floating-rate options are available; please refer to the Fixed-Rate Loan and Floating-Rate Loan term sheets for additional information
<b>INTEREST ONLY</b>	Partial-term and full-term interest-only available; see chart below and related footnotes
<b>PREPAYMENT PROVISIONS</b>	Refer to the Fixed-Rate Loan and Floating-Rate Loan term sheets for additional information.
<b>RECOURSE REQUIREMENTS</b>	Non-recourse except for standard carve-out provisions
<b>SUPPLEMENTAL FINANCING</b>	Available, subject to the Supplemental Loan offering requirements.
<b>TAX AND INSURANCE ESCROWS</b>	Required
<b>REPLACEMENT RESERVE ESCROW</b>	Minimum \$50/site/year and \$250/borrower-owned manufactured home/year (if included in the collateral)
<b>APPLICATION FEE</b>	Greater of \$2,000 or 0.1% of loan amount
<b>EARLY RATE AND SPREAD LOCK OPTIONS</b>	Early rate and spread lock options available, typically ranging from 60 days to 120 days, including our early rate-lock and Index Lock options.
<b>REFINANCE TEST</b>	No Refinance Test is necessary if the loan has an amortizing debt coverage ratio (DCR) of 1.40x or greater and a loan-to-value (LTV) ratio of 65% or less; all partial-term interestonly loans must pass the Refinance Test
<b>ADDITIONAL CONSIDERATIONS</b>	<ul style="list-style-type: none"> <li>• The property must have a minimum of five pad sites</li> <li>• The percentage of homes owned by the borrower, borrower-affiliate, or third-party investor cannot exceed 25% in aggregate</li> <li>• Homes must conform to the requirements of the Federal Manufactured Home Construction and Safety Standards Act of 1974 (HUD Code Standards)</li> <li>• Private wells and septic systems are allowed with considerations</li> <li>• Leases cannot contain options to purchase pad site or borrower-owned manufactured homes</li> <li>• Retail sales or financing by borrowing entity of any manufactured homes is not allowed</li> <li>• RV campgrounds and broken condominiums are excluded</li> </ul>

## ELIGIBLE PROPERTY TYPES

- Existing, stabilized, high-quality, professionally managed manufactured housing communities (MHCs), with or without age restrictions, excluding Seniors Housing Loans

## ELIGIBLE BORROWERS

- A key principal should have two or more years of experience in operating MHCs and should own one other MHC property
- The borrower may be a limited partnership, corporation, limited liability company, or a tenancy in common (TIC) with 10 or fewer tenants in common. General partnerships, limited liability partnerships, REITs and certain trusts may also be acceptable in limited circumstances, subject to additional requirements
- A borrower must be a Single Purpose Entity (SPE). On loans less than \$5 million, a borrower other than a TIC may be a Single Asset Entity instead
- If the borrower is a TIC, each TIC must be an SPE

# FREDDIE MAC MANUFACTURED HOUSING COMMUNITY LOAN, CONT'D.

## FIXED-RATE/FLOATING-RATE<sup>1</sup> LTV RATIOS AND AMORTIZING<sup>2</sup> DCRs

Fixed-Rate Base Conventional Maximum LTV and Minimum DCR <sup>3</sup>			
Fixed-Rate Base Conventional Maximum LTV and Minimum DCR <sup>3</sup>	Amortizing	Partial-Term Interest-Only <sup>4</sup>	Full-Term Interest Only
≥ 5-Year and < 7-Year Term	75% / 1.30x	75% / 1.30x	65% / 1.40x
7-Year Term	80% / 1.25x	80% / 1.25x	70% / 1.35x
> 7-Year Term	80% / 1.25x	80% / 1.25x	70% / 1.35x

<sup>1</sup> Floating-rate proceeds are calculated based on the comparable fixed note rate.

<sup>2</sup> The DCR calculated for the partial-term interest-only and full-term interest-only period used an amortizing payment.

<sup>3</sup> Adjustments may be required depending on the property, product and/or market.

<sup>4</sup> For partial-term interest-only loans, there must be a minimum amortization period of 5 years. Acquisition loans with a minimum of a 5-year term may have up to 1 year of partial-term interest-only. For terms of 10 years or more, loans have interest-only in an amount equal to no more than half of the loan term.