

# FREDDIE MAC DIRECT PURCHASE OF TAX-EXEMPT LOANS

Financing for the acquisition or refinance of affordable multifamily properties with 4% LIHTC with at least 7 years remaining in the tax credit benefit period

- A more efficient, cost-effective alternative to tax-exempt bond credit enhancements with 4% Low-Income Housing Tax Credits (LIHTC) \* - and now offering variable-rate financing and forwards
- Streamlined process requires fewer documents and fewer participants than traditional bond credit enhancements

TYPE OF FUNDING	Fixed-Rate:	Immediate fixed-rate financing; forward fixed-rate financing	<b>ELIGIBLE PROPERTY TYPES</b> <ul style="list-style-type: none"><li>Garden, mid-rise or high-rise multifamily properties with 4% LIHTC that maintain 90% occupancy for 90 days</li></ul>
	Variable-Rate:	Immediate variable-rate financing; forward variable-rate financing	
MINIMUM DEBT COVERAGE RATIO	Fixed-Rate:	1.15x**	
	Variable-Rate:	1.20x; with interest rate hedge	
MAXIMUM LOAN-TO-VALUE RATIO	Fixed-Rate:	85% of adjusted value or 90% of market value**	
	Variable-Rate:	80% of adjusted value or 85% of market value** ; with interest rate hedge	
LOAN TERM	Fixed-Rate:	Up to 18 years	
	Variable-Rate:	Up to 10 years	
PRICING	Fixed-Rate:	Transactions will be priced at a spread to 10-year Treasuries	
	Variable-Rate:	Transactions will be priced at a spread to 1-month LIBOR	
OTHER TERMS	<ul style="list-style-type: none"><li>Construction Loan Term of up to 36 months</li></ul>		
	<ul style="list-style-type: none"><li>Maximum Amortization - 35 years</li></ul>		
	<ul style="list-style-type: none"><li>Subordinate financing permitted; supplemental loans are not available</li></ul>		
	<ul style="list-style-type: none"><li>Tax &amp; insurance escrows required</li></ul>		
	<ul style="list-style-type: none"><li>Application fee, commitment fee plus other fees, as applicable</li></ul>		
	<ul style="list-style-type: none"><li>Securitization using our M-Deals</li></ul>		
	<ul style="list-style-type: none"><li>Yield Maintenance is a minimum 10 years prepayment protection</li></ul>		
	<ul style="list-style-type: none"><li>Green Rebates - to enhance the affordability to tenants of new loans on multifamily housing by tracking the energy consumption of a property, a \$5,000 rebate on first mortgage loans when the Environmental Protection Agency (EPA) ENERGY STAR is scored is available.</li></ul>		

\* May include bond refunding, substitution, or new issue transactions with 80-20 bonds, combination bonds, Section 8, Section 236, tax abatements, and LIHTC.

\*\* Adjustments may be made depending on the property, product, and/or market.