

FREDDIE MAC NOAH PRESERVATION LOAN

Naturally Occurring Affordable Housing (NOAH) Preservation Loan provides qualifying nonprofits with important underwriting flexibilities, fee reductions and rehab allowances. This gives them the competitive advantage they need to acquire the property and helps them better leverage their nonprofit status and local programs to preserve long-term affordability.

MINIMUM AFFORDABILITY	At least 50% of the units must have affordable rents at 60% / 80% / 100% / 120% area median income (AMI) based on market at the time of origination	<p>ELIGIBLE PROPERTY TYPES Garden, mid-rise, or high-rise multifamily NOAH properties</p> <p>ELIGIBLE BORROWERS 501(c)(3) nonprofit organizations with affordable housing preservation as a stated part of its mission and a demonstrated history of successful property ownership</p> <p>MINIMUM AFFORDABILITY At least 50% of the units must have affordable rents at 60% / 80% / 100% / 120% area median income (AMI) based on market at the time of origination</p> <p>MINIMUM EQUITY REQUIREMENTS Nonprofit must meet at least one of the following:</p> <ul style="list-style-type: none"> • Have an equity partner providing mission-focused equity • Contribute 100% of the equity themselves (leveraging soft debt as necessary) • Use the Freddie Mac Impact Gap Financing offering
MINIMUM EQUITY REQUIREMENTS	<p>Nonprofit must meet at least one of the following:</p> <ul style="list-style-type: none"> • Have an equity partner providing mission-focused equity • Contribute 100% of the equity themselves (leveraging soft debt as necessary) • Use the Freddie Mac Impact Gap Financing offering 	
TERM¹	Up to 15 years	
MAXIMUM AMORTIZATION	Up to 30 years	
MINIMUM DEBT COVERAGE RATIO (DCR)²	1.25x with 1.20x available subject to underwriting approval	
MAXIMUM LOAN-TO-VALUE (LTV) RATIO²	80% LTV	
TAX AND INSURANCE ESCROWS	Required	
FEES	Application fee and Commitment fee Servicing document review fee discounted to \$1,500 per review for items disclosed prior to origination	
PAYMENT STRUCTURE	Per Freddie Mac Commitment	
PREPAYMENT PROVISIONS	Yield Maintenance or defeasance (to be determined at quoting stages based on transaction structure)	
NON-RECOURSE AND/OR GUARANTY	Per Freddie Mac Commitment	
MODERATE REHABILITATION	Subject to underwriting approval	

¹ Loan terms may be up to 30 years which will be determined on a case-by-case basis

² Underwriting parameters are maximum allowed by the program. Transactions will be screened on a deal-by-deal basis and parameters may be adjusted at the Freddie Mac Underwriting team’s discretion.