

FREDDIE MAC FORWARD COMMITMENT FOR NEW CONSTRUCTION OR SUBSTANTIAL REHAB

Freddie Mac provides a 24- to 36-month forward commitment with or without rate lock prior to delivery of the permanent loan.

PRODUCT DESCRIPTION	The Forward Commitment product is available to finance the new construction or substantial rehabilitation of multifamily affordable housing that meets or exceeds the income and rent restrictions of the Low Income Housing Tax Credit (LIHTC) program. This program is typically used for 9% LIHTC projects.	ELIGIBLE PROPERTY TYPES Affordable multifamily housing (9% LIHTC); new construction and substantial rehabilitation
LOAN AMOUNT	\$2,000,000 minimum	ELIGIBLE BORROWERS <ul style="list-style-type: none"> Developers/owners with financial capacity who have successfully completed multiple resyndications using 4% LIHTC and tax-exempt debt
FORWARD PERIOD	Up to 36-month forward period, with one 6-month extension available at Lender's sole discretion.	
TERM	Up to 35 years; typically 15 to 18 years	
AMORTIZATION	Up to 36-month forward period, with one 6-month extension available at Lender's sole discretion.	
LOAN TO VALUE	90% Maximum	
DEBT SERVICE COVERAGE	Minimum 1.15x	
BORROWER	Domestic single asset borrowing entity is required	
INTEREST RATE	Spread over applicable treasury as adjusted for loan term, amortization, DSC and LTV	
RECOURSE	Non-recourse after conversion to permanent with customary non-recourse carve-outs. Penalties for non-delivery.	
CONVERSION TO PERMANENT	Forward commitment converts to permanent loan when property reaches 90% occupancy for 90 consecutive days (minimum); Permanent loan amount may be changed based on NOI in place at time of underwriting, subject to applicable shortfall and/or breakage fees; Lender required to complete full underwriting prior to permanent loan closing	

FREDDIE MAC FORWARD COMMITMENT FOR NEW CONSTRUCTION OR SUBSTANTIAL REHAB, CONT'D.

FEES**APPLICATION AND DUE DILIGENCE FEES**

- \$5,000 non-refundable Application Fee to cover internal underwriting costs;
- \$12,500 Due Diligence Fee to cover third party reports

ORIGINATION FEE

- 1.0% of the Loan Amount (\$25,000 minimum), payable at closing

FREDDIE MAC APPLICATION FEE

- The greater of \$3,000 or 0.1% of the maximum mortgage amount.

FREDDIE MAC DEPOSITS

- A forward commitment deposit equal to 2% (typically) of the commitment amount to be paid prior to rate lock. Deposit may be in cash or letter of credit and will be refunded/released upon delivery of the permanent loan.
- A Delivery Assurance Note of 5% of the loan amount will also be executed and recorded as a lien against the property and will be released at the time the mortgage is purchased. The security will be subordinate to all other financing.

OTHER COSTS

- Borrower responsible for legal, construction monitoring and customary closing costs

**PRELIMINARY
SUBMISSION
PACKAGE**

Include the following in your request for a loan quote:

- Property description and location map
 - Representative color photographs or renderings
 - Operating history (prior 3 years), if applicable
 - Year one operating budget & proforma
 - Preliminary sources & uses
 - Sponsor resume
-