

FREDDIE MAC BOND CREDIT ENHANCEMENT WITH 4% LIHTC

Freddie Mac's Bond Credit Enhancement program with 4 percent Low-Income Housing Tax Credits (LIHTC) provides for the preservation of the affordable housing stock with flexibility in transaction structuring and certainty of execution at a lower cost to the borrower.

	FORWARD COMMITMENT	IMMEDIATE FUNDING	PRESERVATION REHAB
ELIGIBLE PROPERTY TYPES	To-be-built or substantially rehabilitated garden, mid-rise, or high-rise multifamily properties with 4% LIHTC	Garden, mid-rise, or high-rise multifamily properties with 4% LIHTC that maintain 90% occupancy for 90 days	Garden, mid-rise, or high-rise multifamily properties with 4% LIHTC undergoing moderate rehabilitation with tenants in place
TERMS	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less Maximum term: 35 years	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less Maximum term: 35 years	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less Maximum term: 35 years Rehabilitation/stabilization period (at a maximum of 24 months) will be included in loan term
PRODUCT DESCRIPTION	Bond credit enhancement for new construction or substantial rehabilitation of affordable multifamily properties with 4% LIHTC	Bond credit enhancement for the acquisition or refinance of stabilized affordable multifamily properties with 4% LIHTC with at least 7 years remaining in the LIHTC compliance period	Bond credit enhancement provided for the moderate rehabilitation of affordable multifamily properties with new 4% LIHTC and tenants in place
TYPE OF FUNDING	Bond credit enhancement available during construction phase (funded forward); letter of credit collateral required during construction phase; bond credit enhancement during permanent phase following successful conversion Forward commitment to provide bond credit enhancement upon successful conversion from construction phase to permanent phase (unfunded forward)	Bond credit enhancement for fixed- or variable-rate tax-exempt bonds	Bond credit enhancement for acquisition/rehabilitation based on projected post-rehab net operating income (NOI); cash or letter of credit collateral required to fund gap between supportable debt on current NOI and bond mortgage loan amount (collateral held until stabilization); interest only available during the rehabilitation/stabilization period
MINIMUM DEBT COVERAGE RATIO²	<ul style="list-style-type: none"> Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x 	<ul style="list-style-type: none"> Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x 	<ul style="list-style-type: none"> Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x
MAXIMUM LOAN-TO-VALUE²	<ul style="list-style-type: none"> Variable-rate with cap hedge: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted value or 90% of market value 	<ul style="list-style-type: none"> Variable-rate with cap hedge: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted value or 90% of market value 	<ul style="list-style-type: none"> Variable-rate with cap hedge: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted value or 90% of market value
CONSTRUCTION LOAN TERM	Maximum forward commitment term: 36 months plus a free 6-month extension during construction period	N/A	N/A

FREDDIE MAC BOND CREDIT ENHANCEMENT WITH 4% LIHTC, CONT'D.

	FORWARD COMMITMENT	IMMEDIATE FUNDING	PRESERVATION REHAB
MAXIMUM AMORTIZATION	35 years	35 years	35 years
PREPAYMENT PROVISIONS	Fee maintenance	Fee maintenance	Fee maintenance
SUBORDINATE FINANCING	Permitted	Permitted	Permitted
TAX AND INSURANCE ESCROWS	Required	Required	Required
FEES	Application fee, commitment fee, credit facility fee, plus other fees as applicable	Application fee, commitment fee, credit facility fee, plus other fees as applicable	Application fee, commitment fee, credit facility fee, plus other fees as applicable

¹ May include bond refunding, substitution, or new issue transactions with 80-20 bonds, taxable bonds in combination with tax-exempt bonds, 501(c)(3) bonds, Section 8, Section 236, tax abatements and LIHTC.

² Adjustments may be made depending on the property, product and/or market.