# FREDDIE MAC BRIDGE TO RESYNDICATION

- Supports the preservation of affordable housing
- 24-month loan (with one 6-month extension with approval)
- Interest-only
- Floating rate
- We support eligible mixed-use properties

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| **PRODUCT DESCRIPTION** | • 24-month loan with one 6-month extension, with approval (see "Extension" below)<br>• Interest-only, floating-rate loan<br>• Standby Fee applicable when used in conjunction with a TEL forward |
| **MINIMUM DEBT COVERAGE RATIO (DCR)** | 1.15X STANDARD |
| **MAXIMUM LOAN-TO-VALUE (LTV) RATIO** | • 85%<br>• Cash equity requirement: 15% if owned less than 3 years |
| **MINIMUM OCCUPANCY** | • Determined at funding using the comparable fixed rate to achieve a 1.0x DCR |
| **RIDER TO LOAN AGREEMENT** | • Will provide specific performance benchmarks and dates by which they must be achieved<br>• Performance benchmarks will be based on specific requirements necessary to close the LIHTC resyndication; these will include:<br>- Bond inducement resolution<br>- 4% tax credit allocation<br>- Final plans, specifications and budget for rehabilitation<br>- LIHTC investor commitment<br>- Commitments for all other sources necessary to close the LIHTC resyndication |
| **EXTENSION** | Freddie Mac approval required and will be based on progress toward LIHTC<br>resyndication 0.5% fee required |
| **ASSET MANAGEMENT** | Quarterly reporting; borrower will provide quarterly updates on progress toward LIHTC resyndication, such as bond inducement resolution, LIHTC investor commitment, completion of plans and specifications, and general contractor bids for construction |
| **BREAKAGE FEE** | 2% |
| **EXIT FEE** | 2%; waived if refinanced by a Freddie Mac securitizable loan |

**ELIGIBLE PROPERTY TYPES**

- LIHTC properties at or nearing the end of their compliance period with LIHTC rents
- Construction must be sound but will often require moderate repair; the only construction completed during the term of this facility would be any required life-safety repairs and material deferred maintenance
- Must include evidence that a public agency with authority to issue Volume Cap Mortgage Revenue Bonds has sufficient tax-exempt bond (or loan) availability to meet the allocation needs of the anticipated LIHTC resyndication and has a highly predictable process for that allocation
- A rider to the loan agreement (see below) will include specific performance benchmarks necessary to achieve the resyndication along with interim dates by which they will be achieved; examples would include final plans and specifications for rehabilitation, bond inducement resolution and commitment from the LIHTC investor

**ELIGIBLE BORROWERS**

- Developers/owners with financial capacity who have successfully completed multiple resyndications using 4% LIHTC and tax-exempt debt