

FREDDIE MAC CONVENTIONAL
Index Lock

BENEFITS	Allows Borrowers to quickly lock the Treasury index at quote or underwriting, mitigating the issue of interest rate volatility. It also creates greater efficiencies for the Lender and their borrower by requiring less documentation to lock than a preliminary underwriting package. With the addition of the ability to hold the quoted spread at Index Lock, it will further mitigate risk and reduce loan coupon volatility. Once the Index Lock Agreement is issued, the Borrower needs to Index Lock before the quote expires (five business days from quote issuance).
ELIGIBILITY	<ul style="list-style-type: none"> • Borrowers, in good standing, that have had a loan purchased for securitization by Freddie Mac within the last 24 months. • A single identifiable asset (nontransferable) with loan size capped at \$150 million. • Acquisition or refinance loans. • Pools are eligible with approval.
WHAT IS BEING LOCKED?	Treasury yield only. Freddie Mac spread is quoted at Index Lock, which will not be subject to market grid movements, but will adjust based on changes in loan terms, property, borrower or certain loan document modifications or other transaction specific items not fully reflected in the quote based on the pricing grid in effect as of the quote date. Freddie Mac spread and servicing spread are determined at full rate-lock.
ELIGIBLE BORROWERS	Borrowers in good standing that have closed a securitized loan within 24 months.
INTEREST RATE	Fixed-rate.
MAXIMUM LOAN AMOUNT	\$150,000,000.
LOAN TERMS DETERMINED PRIOR TO LOCK	Term of the loan and loan amount (loan amount is subject to change).
GOOD FAITH DEPOSIT	2%.
DURATION OF LOCK	<ul style="list-style-type: none"> • 60 days after quote expiration date for most loans. • 75 days after quote expiration for Seniors Housing and MHC loans. • 90 days after quote expiration for TAH loans.
ALL-IN RATE	Borrowers will have some indication of the all-in rate at Index Lock. The spread will not be subject to market grid movements but will be adjusted due to new information received on the Property, the Borrower, or the Guarantor or if there are loan document modifications or transaction-specific facts that require additional changes to the quoted spread. If the Borrower chooses early rate-lock, they will know their all-in rate after a review and approval of a pre-underwriting package. If the Borrower chooses the standard delivery process, they will know their all-in-rate after commitment.

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