

<b>ELIGIBLE BORROWERS</b>	<ul style="list-style-type: none"> <li>• Developers/operators with experience in multifamily property rehabilitation and in the local market with sufficient financial capacity.</li> <li>• 1.5x the standard minimum net worth and liquidity requirements for guarantors.</li> </ul>
<b>ELIGIBLE PROPERTY TYPES</b>	<ul style="list-style-type: none"> <li>• Properties with no more than 500 total units in good locations.</li> <li>• Well-constructed properties requiring modest repairs.</li> <li>• Market laggards that require capital infusion and new/improved management.</li> <li>• Real-estate owned properties in receivership that are capable of improved performance.</li> <li>• Seniors Housing, Student Housing and Manufactured Housing Communities are not eligible.</li> </ul>
<b>TERMS</b>	<ul style="list-style-type: none"> <li>• Three years with one 12-month extension based on the borrower's request and one optional 12-month extension based on Freddie Mac's discretion.</li> <li>• Floating-rate loan with full-term interest-only. No cap required.</li> <li>• No lock out. Borrower may pay off the loan at any time but must remit an exit fee of 1%. The exit fee will be waived if the loan is refinanced with Freddie Mac.</li> <li>• Acquisitions and refinances. Not assumable.</li> <li>• Loan documentation at origination will include the Value-Add Rider, which will detail the terms/requirements of the rehabilitation.</li> <li>• Escrows will include real estate taxes, insurance and replacement reserves.</li> <li>• 15% cash equity generally required.</li> <li>• For longer term ownership, cash-out is available provided a completion guaranty on budgeted improvements in an amount at least equal to the cash-out in place.</li> </ul>
<b>AMOUNT</b>	<ul style="list-style-type: none"> <li>• Maximum loan-to-purchase/loan-to-value (LTV) ratio: 85%.</li> <li>• Minimum amortizing debt coverage ratios (DCR): 1.10x – 1.15x, depending on market.</li> <li>• Sizing based on a 7-year sizing note rate.</li> <li>• Appraisal must include as-is and as-stabilized values. Underwriting must support a 1.30x DCR and 75% LTV based on as-stabilized value supported by the appraisal.</li> <li>• Standard Freddie Mac underwriting based on as-is income and expense.</li> <li>• Refinance Test not required.</li> <li>• No pro-forma underwriting of future performance.</li> </ul>
<b>REHABILITATION</b>	<ul style="list-style-type: none"> <li>• Rehabilitation must commence within 90 days of loan origination and be completed within 33 months.</li> <li>• Acceptable budget of \$10,000 per unit to \$25,000 per unit.</li> <li>• Budget can be adjusted by as much as 20% without additional approval. 50% of the budget should be spent on unit interiors.</li> <li>• Completion Guaranty or rehabilitation escrow required.</li> <li>• Borrower/Servicer reporting required.</li> </ul>
<b>AT LOAN MATURITY/REFINANCE</b>	<ul style="list-style-type: none"> <li>• Final engineer review of work completion and quality is required.</li> <li>• Refinance with Freddie Mac with no exit fee, otherwise 1% applies.</li> <li>• Freddie Mac will re-underwrite the loan according to then-current credit policy parameters.</li> <li>• One-year Borrower extension option is available for a 0.5% extension fee, assuming no event of default.</li> <li>• Additional Freddie Mac extension option is available thereafter with 1% extension fee.</li> </ul>
<b>FEES</b>	Standard fees apply, including application fee and good faith deposit.

