

## FREDDIE MAC FIXED-RATE LOAN

### Fast and Flexible Funding for a Wide Array of Properties

With Freddie Mac's fixed rate loan, you get a flexible, streamlined financing solution and certainty of execution for the acquisition or refinance of multifamily housing properties. Borrowers have a variety of options to suit their individual needs.

#### The Hunt Mortgage Group and Freddie Mac Difference

When it comes to multifamily finance, Hunt Mortgage Group and Freddie Mac get it done. We work closely together to tackle complicated transactions, provide certainty of execution and fund quickly. Contact your Hunt Mortgage Group representative today - we're here to help.

#### ELIGIBLE BORROWERS

- Borrower may be a limited partnership, corporation, limited liability company or a tenancy in common (TIC) with 10 or fewer tenants in common
- General partnerships, limited liability partnerships, REIT's and certain trusts may also be acceptable in limited circumstances, subject to additional requirements
- Borrower must usually be a Single Purpose Entity (SPE) (see Section 6.13 of the Loan Agreement for basic SPE requirements); however, on loans less than \$5 million, upon borrower's request, a borrower other than a TIC may be a Single Asset Entity instead of a SPE
- If the borrower is structured as a tenancy in common (TIC), each tenant in common must be an SPE

#### ELIGIBLE PROPERTIES

- Standard multifamily housing, student housing, seniors housing, manufactured housing communities, cooperative housing and Targeted Affordable Housing cash (e.g., LIHTC Year 4-10 and 11-15, Section 8) loans. Loans may be used for acquisition or refinance.

#### LOAN TERMS

- 5- to 10-year terms (up to 30 years if loan is not purchased for securitization)

#### AMOUNT

- Generally, \$5 to \$100 million (larger and smaller loans will be considered)

#### MAXIMUM AMORTIZATION

- 30 years.

#### AMORTIZATION CALCULATIONS

- Actual/360 standard; 30/360 available.

#### LOCKOUT PERIOD

- 2 years following securitization

#### PREPAYMENT PROVISIONS

- Yield maintenance until securitized followed by 2-year lock out; defeasance thereafter. No prepayment premium for final 90 days. If loan is not securitized within first year, then yield maintenance applies until the final 90 days. Yield maintenance without defeasance is available for securitized loans at an additional cost

#### TAX AND INSURANCE ESCROW

- Generally required

#### REPLACEMENT RESERVE DEPOSIT

- Generally required

#### RECOURSE REQUIREMENTS

- Non-recourse except for standard carve-out provisions

#### SUPPLEMENTAL LOAN AVAILABILITY

- Yes, subject to requirements specified in the Loan Agreement

#### APPLICATION FEE

- Greater of \$2,000 or 0.1% of loan amount for conventional first mortgages; seniors housing loans are > \$5,000 or 0.15% of loan amount; supplemental loans are > \$5,000 or 0.1% of loan amount and Targeted Affordable Housing loans are > \$3,000 or 0.1% of loan amount

## ■ FREDDIE MAC FIXED-RATE PRODUCT FOR CME<sup>SM</sup> CONTINUED

### ● LOCK OPTIONS

- Early rate-lock option available for varying durations, typically ranging from 60 to 120 days until Freddie Mac purchase; Index Lock option is also available. Sellers should consult with their regional Freddie Mac representative to determine eligibility

### ● REFINANCE TEST

- No Refinance Test is necessary if the loan has an amortizing debt coverage ratio (DCR) of 1.40x or greater and a loan-to-value (LTV) ratio of 65% or less; all partial-term interest-only loans must pass the Refinance Test

## PRODUCT SNAPSHOT

- Generally \$5 million to \$100 million; however larger or smaller loan amounts are considered
- Limited partnership, corporation, limited liability company or tenancy in common
- If greater than \$5 million, borrower must be a Single Purpose Entity (SPE)
- Under \$5 million, borrower may be Single Asset Entity
- We support eligible mixed-use properties
- **Freddie Mac's Multifamily Green Advantage** initiative rewards borrowers who improve their properties to save energy or water.

## LOAN-TO-VALUE (LTV) RATIOS AND AMORTIZING<sup>1</sup> DEBT COVERAGE RATIOS (DCR)

Fixed-Rate Base Conventional Maximum LTV and Minimum DCR <sup>2</sup>	Amortizing	Partial-Term Interest-Only	Full Term Interest-Only
>5-Year and <7-Year Term	75% / 1.30X	75% / 1.30X	7-Year Term
7-Year Term	80% / 1.25X	75% / 1.30X	70% / 1.35X
<7-Year Term	80% / 1.25X	75% / 1.30X	70% / 1.35X

(For specific product adjustments, refer to individual term sheets)

<sup>1</sup> The DCR calculated for the partial-term interest-only and full-term interest-only period uses an amortizing payment.

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

<sup>3</sup> For partial-term interest-only loans, there must be a minimum amortization period of 5 years for loans with terms greater than 5 years. Acquisition loans with 5-year terms may have up to 1 year of partial-term interest-only. For terms of 10 years or more, loans may have interest only in an amount equal to no more than half of the loan term.

**FOR MORE INFORMATION ON HUNT MORTGAGE GROUP,  
CONTACT YOUR HUNT MORTGAGE GROUP REPRESENTATIVE.**