

# MANUFACTURED HOUSING COMMUNITY LOAN

## Customized Loans for Manufactured Housing Communities

With flexible financing, competitive pricing, and certainty and speed of execution, Freddie Mac's manufactured housing community (MHC) loans provide an affordable housing option for underserved populations, particularly in rural and non-metro areas across the country, where MHCs are an important source, sometimes the only source, of affordable housing.

### The Hunt Mortgage Group and Freddie Mac Difference

When it comes to multifamily finance, Freddie Mac and Hunt Mortgage Group 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 PROPERTY TYPES

- Existing, stabilized, high-quality, professionally-managed manufactured housing communities (MHCs), with or without age restrictions, excluding senior housing loans

#### ELIGIBLE SELLER/SERVICERS

- Freddie Mac Multifamily Approved Seller/Service providers may originate or service a MHC loan. We prefer Seller/Service providers with a staff that is experienced and knowledgeable in the structure, origination and delivery of MHC loans.

#### ELIGIBLE BORROWERS

- A key principal should have two or more years of experience in operating MHCs and should own one other MHC property
- The 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, REITs and certain trusts may also be acceptable in limited circumstances, subject to additional requirements
- A borrower must be a Single Purpose Entity (SPE). On loans less than \$5 million, a borrower other than a TIC may be a Single Asset Entity instead
- If the borrower is a TIC, each TIC must be an SPE

#### TERMS

- Up to 5-, 7- and 10-year terms

#### AMOUNT

- \$1 million or larger

#### MAXIMUM AMORTIZATION

- 30 years

#### INTEREST RATE

- Fixed- or floating-rate options are available; please refer to the Fixed-Rate Loan and Floating-Rate Loan term sheets for additional information

#### INTEREST ONLY

- Refer to the chart on the next page

#### 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 for an additional cost

#### RECOURSE REQUIREMENTS

- Non-recourse except for standard carve-out provisions

#### SUPPLEMENTAL FINANCING

- Available, subject to the supplemental loan offering requirements

#### TAX AND INSURANCE ESCROWS

- Required

#### REPLACEMENT RESERVE ESCROW

- Minimum \$50/site/year and \$250/borrower-owned manufactured home/year (if included in the collateral)

#### APPLICATION FEE

- Greater of \$2,000 or 0.1% of loan amount

#### EARLY RATE AND SPREAD LOCK OPTIONS

- Early rate and spread lock options available, typically ranging from 60 days to 120 days, including our early rate-lock and index lock options.

## PRODUCT SNAPSHOT

- Designed** specifically for MHC funding
- Expands** affordable housing options for underserved populations, particularly in rural and non-metro areas where MHCs are more prevalent
- Up to 25%** of the homes can be rentals
- Predominately** all-age or family

### 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

### ADDITIONAL CONSIDERATIONS

- The property must have a minimum of five pad sites
- The percentage of homes owned by the borrower, borrower-affiliate or third-party investor cannot exceed 25% in aggregate
- Homes must conform to the requirements of the Federal Manufactured Home Construction and Safety Standards Act of 1974 (HUD Code Standards)
- Private wells and septic systems are allowed with considerations
- Leases cannot contain options to purchase pad site, or borrower-owned manufactured homes
- Retail sales or financing by borrowing entity of any manufactured homes is not allowed
- RV resorts and broken condominiums are excluded

FIXED-RATE/FLOATING-RATE <sup>1</sup> LTV RATIOS AND AMORTIZING <sup>2</sup> DCRS			
Fixed-Rate Base Conventional Maximum LTV and Minimum DCR <sup>3</sup>	Amortizing	Partial-Term Interest-Only <sup>4</sup>	Full Term Interest-Only
Acquisitions and Refinances			
>5-Year and <7-Year Term	70% / 1.30X	70% / 1.30X	60% / 1.40X
7-Year Term	75% / 1.25X	75% / 1.25X	65% / 1.35X
<7-Year Term	75% / 1.25X	75% / 1.25X	65% / 1.35X

<sup>1</sup> Floating-rate proceeds are calculated based on the comparable fixed note rate.

<sup>2</sup> The DCR calculated for the partial-term interest-only and full-term interest-only period used an amortizing payment.

<sup>3</sup> Adjustments may be required depending on the property, product and/or market.

<sup>4</sup> For partial-term interest-only loans, there must be a minimum amortization period of 5 years. Acquisition loans with a minimum of a 5-year term may have up to 1 year of partial-term interest-only. For terms of 10 years or more, loans 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.