

# SUPPLEMENTAL LOAN

## Add-On Funding Without Refinancing

A supplemental loan gives borrowers access to additional capital at a cost lower than refinancing. Take advantage of Freddie Mac’s flexible terms, streamlined underwriting and certainty of execution.

### 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.**

### PRODUCT SNAPSHOT

- A supplemental loan placed at least 12 months after origination of the first loan or the most recent prior supplemental loan
- Additional financing options in conjunction with seasoned multifamily loans
- Both fixed- and floating-rate supplemental loans available
- Supplemental financing behind seasoned securitized loans is a unique advantage of the Freddie Mac execution

Eligible Seller/Servicers	<ul style="list-style-type: none"> <li>• If the first loan has been securitized, the original approved Seller/Service for that first loan</li> <li>• If the first loan has not been securitized, the approved Seller/Service currently servicing that first loan</li> </ul>
Eligible Borrowers	Original first loan borrower or lender-approved transferee
Eligible Loans <sup>1</sup>	<ul style="list-style-type: none"> <li>• Loans behind existing first loans                             <ul style="list-style-type: none"> <li>– In good standing</li> <li>– Purchased through the Conventional Cash Mortgage Purchase Program, the Targeted Affordable Housing Cash Mortgage Purchase Program and conventional structured transactions</li> </ul> </li> <li>• Prior loans (first loans and any prior supplemental loans in place) must have remaining terms of 3 years or more</li> <li>• Minimum supplemental amount: \$1 million</li> </ul>

Terms	Coterminous with first loan; must be at least 12 months after origination of the first loan or the most recent prior to the supplemental loan; not available during the last 3 years of the first loan
Prepayment Provisions	Structured as a yield maintenance loan
Reserve Requirements	Origination of a supplemental loan behind a securitized loan will trigger collection of any deferred reserves for that first loan
Refinance Test	Determined at funding using the comparable fixed rate to achieve a 1.0x DCR
Servicing Fee	Calculation based on supplemental proceeds

<sup>1</sup> Supplemental loans are also subject to conditions set forth in the first loan and any existing supplemental loan documents. All LTVs and DCRs are calculated based on the sum of the debt service and unpaid principal balance of the first loan and all existing and proposed supplemental loans.

LOAN-TO-VALUE (LTV) RATIOS AND AMORTIZING <sup>2</sup> DEBT COVERAGE RATIOS (DCRS)						
Supplemental Loan <sup>3</sup> Base Maximum LTV and Minimum DCR	Fixed-Rate LTV/DCR			Floating-Rate LTV/DCR (DCR at comparable fixed note rate)		
	Amortizing	Partial-Term Interest-Only <sup>4</sup>	Partial-Term Interest-Only	Amortizing	Partial-Term Interest-Only <sup>4</sup>	Full-Term Interest-Only
Acquisitions and Refinances						
>5-Year and <7-Year Term	75% / 1.30X	75% / 1.30X	75% / 1.30X	70% / 1.30X	75% / 1.30X	60% / 1.40X
7-Year Term	80% / 1.25X	80% / 1.25X	75% / 1.30X	75% / 1.25X	75% / 1.30X	65% / 1.35X
<7-Year Term	80% / 1.25X	80% / 1.25X	70% / 1.35X	75% / 1.25X	75% / 1.30X	65% / 1.35X

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

<sup>3</sup> If fewer than 5 years is remaining on the first loan, add 5 bps to the DCR. If fewer than 3 years is remaining on the first loan, a supplemental is not allowed.

<sup>4</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.