



Freddie Mac Fixed-Rate

Acquisition or Refinancing of Multifamily Properties

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, REITs and certain trusts may also be acceptable in limited circumstances, subject to additional requirements.
- Borrower must usually be a Single Purpose Entity (SPE); 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 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.

Terms

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

Amount

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

Maximum Amortization

30 years.

Amortization Calculations

Actual/360 standard; 30/360 available.

Lock-out 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.

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Replacement Reserve Deposit

Generally required.

Recourse Requirements

Non-recourse except for standard carve-out provisions.

Supplemental Loans

Available, 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.

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.

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 60% or less.

Loan-to-Value (LTV) Ratios and Amortizing Debt Coverage Ratios (DCR)

Fixed-Rate Base Conventional
Maximum LTV and Minimum DCR

≥ 5-Year and < 7-Year Term

7-Year Term

> 7-Year Term

	AMORTIZING	PARTIAL-TERM INTEREST-ONLY	FULL-TERM INTEREST-ONLY
≥ 5-Year and < 7-Year Term	Max. 75% LTV Min. DCR 1.30x	Max. 75% LTV Min. DCR 1.30x	Max. 65% LTV Min. DCR 1.40x
7-Year Term	Max. 80% LTV Min. DCR 1.25x	Max. 80% LTV Min. DCR 1.25x	Max. 70% LTV Min. DCR 1.35x
> 7-Year Term	Max. 80% LTV Min. DCR 1.25x	Max. 80% LTV Min. DCR 1.25x	Max. 70% LTV Min. DCR 1.35x