



PRODUCT SNAPSHOT

LIHTC Enhancement Support for Mixed-Income Deals

Use our new Low-Income Housing Tax Credit (LIHTC) Enhancement with our tax-exempt offerings to help Borrowers raise more capital from LIHTC syndication on certain mixed-income properties (80/20s). It's another way we're supporting workforce housing.

The Freddie Mac Difference

When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our OptigoSM network of Seller/Service providers to tackle complicated transactions, provide certainty of execution and fund quickly.

Contact your Freddie Mac Multifamily representative today — we're here to help.

Borrowers Who Want to Know More

Contact one of our Optigo Seller/Service providers at mf.freddiemac.com/borrowers/

- Foreclosure protection for LIHTC Equity Investors
- Supports mixed-income rental housing financed with Freddie Mac Senior Debt

Freddie Mac Multifamily
Green Advantage[®]

Our Freddie Mac Multifamily **Green Advantage**[®] initiative rewards borrowers who improve their properties to save energy or water.

Product Description	<ul style="list-style-type: none"> ▪ The LIHTC Enhancement will provide protection for the LIHTC Investor in the event of foreclosure, in the form of an investment enhancement available only in conjunction with Freddie Mac providing first mortgage financing via the bond credit enhancement, Tax-Exempt Loan (TEL), or TAH cash offerings. ▪ If Freddie Mac were to exercise its right of foreclosure as the provider of the senior debt, the LIHTC Investor would have the right to receive a make-whole payment based upon the Investor’s initial investment, less actual tax credits received. ▪ Freddie Mac would receive a LIHTC Enhancement fee for providing the LIHTC Enhancement.
Eligible Property Types	<ul style="list-style-type: none"> ▪ Newly developed and stabilized high-rise and mid-rise mixed-income properties, 80/20s, or similar projects
Eligible Borrowers	<ul style="list-style-type: none"> ▪ Financially capable 80/20 developers with deep experience in the applicable market
Minimum Debt Coverage Ratio (DCR)	Based on requirements for senior debt financing
Maximum Loan-to-Value (LTV) Ratio	Based on requirements for senior debt financing
Minimum Occupancy	Fully stabilized with qualified low-income tenants
Term	10 years
Pricing	Freddie Mac will receive its standard credit enhancement fee for the bond credit enhancement offering or spread for TEL as applicable, plus a LIHTC Enhancement fee, which will be based on the risk profile of the transaction.
Additional Documentation	The LIHTC Enhancement will be documented through a separate agreement between the Borrower, the Investor and Freddie Mac. Pursuant to that agreement, the Borrower and Investor must provide reports detailing property performance and compliance with LIHTC regulatory agreement. They will also provide annual K-1s and audits demonstrating tax credits to the Borrower and LIHTC Investor.
Fee	A quarterly fee paid in advance calculated using a declining notional amount equivalent to the initial tax credit equity investment less actual tax credits received, to a pre-established floor

For More Information

CONTACT YOUR TARGETED AFFORDABLE HOUSING REPRESENTATIVE

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