OPTIGO
Freddie Mac Multifamily

CBRE
MULTIFAMILY TERM SHEET

Bridge to Resyndication

Bridge Loan for LIHTC-Eligible Properties

A Bridge to Resyndication Loan provides efficient, short-term financing (a taxable acquisition bridge loan) to help borrowers acquire or refinance Low-Income Housing Tax Credit (LIHTC) eligible properties.

The funding is a much-needed bridge that positions properties for recapitalization using 4 percent LIHTCs and long-term Freddie Mac financing, such as our Tax-Exempt Loans.

PRODUCT SNAPSHOT

- Supports the preservation of affordable housing
- 24-month loan
  (with one 6-month extension with approval)
- Interest-only
- Floating rate
- We support eligible mixed-use properties

For More Information:

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Eligible Borrowers	Developers/owners with financial capacity who have successfully completed multiple resyndications using 4% LIHTC and tax-exempt debt
Eligible Property Types	• LIHTC properties at or nearing the end of their compliance period with LIHTC rents • Construction must be sound but will often require moderate repair; the only construction completed during the term of this facility would be any required life-safety repairs and material deferred maintenance • Must include evidence that a public agency with authority to issue Volume Cap Mortgage Revenue Bonds has sufficient tax-exempt bond (or loan) availability to meet the allocation needs of the anticipated LIHTC resyndication and has a highly predictable process for that allocation • A rider to the loan agreement (see below) will include specific performance benchmarks necessary to achieve the resyndication along with interim dates by which they will be achieved; examples would include final plans and specifications for rehabilitation, bond inducement resolution and commitment from the LIHTC investor
Product Description	• 24-month loan with one 6-month extension, with approval (see “Extension” below) • Interest-only, floating-rate loan • Standby Fee applicable when used in conjunction with a TEL forward

Minimum Debt Coverage Ratio (DCR)	1.15x standard
Maximum Loan-to-Value (LTV) Ratio	• 85% • Cash equity requirement: 15% if owned less than 3 years
Minimum Occupancy	Determined at funding using the comparable fixed rate to achieve a 1.0x DCR
Rider to Loan Agreement	• Will provide specific performance benchmarks and dates by which they must be achieved • Performance benchmarks will be based on specific requirements necessary to close the LIHTC resyndication; these will include: – Bond inducement resolution – 4% tax credit allocation – Final plans, specifications and budget for rehabilitation – LIHTC investor commitment – Commitments for all other sources necessary to close the LIHTC resyndication
Extension	Freddie Mac approval required and will be based on progress toward LIHTC resyndication 0.5% fee required
Asset Management	Quarterly reporting; borrower will provide quarterly updates on progress toward LIHTC resyndication, such as bond inducement resolution, LIHTC investor commitment, completion of plans and specifications, and general contractor bids for construction
Breakage Fee	2%
Exit Fee	2%; waived if refinanced by a Freddie Mac securitizable loan
Securitization Available	Yes