OPTIGO
Freddie Mac Multifamily

CBRE
MULTIFAMILY TERM SHEET

Non-LIHTC Forwards

Creating Affordable and Workforce Housing

Freddie Mac's Non-LIHTC Forward financing helps preserve and create affordable housing stock through flexible transaction structuring and certainty of execution at lower costs to the borrower.

Borrowers get the financing they need for affordable multifamily properties funded by public or mission-driven financial investment — whether it's for new construction or major rehabilitation.

PRODUCT SNAPSHOT

- Hedge interest rate risk
- Get competitive pricing for a unique execution
- Use multiple types of subsidies
- Lend on properties geared toward Workforce Housing, so broader income bands than LIHTC
- For nonprofits or for-profits
- Up to 80% leverage for eligible properties

For More Information:

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Product Description	Unfunded forward commitments for affordable housing developed by nonprofits and subsidized, affordable housing developed by for-profit developers for new multifamily construction or substantial rehabilitation.
Eligible Property Types	To-be-built or substantially rehabilitated garden, mid-rise, or high-rise multifamily property with public or mission-driven financial investment
Financial Investment, Borrower and Affordability Requirements	**For-Profit Borrowers** **Public/Mission-Driven Financial Investment** must be quantified as at least 10% of the first mortgage UPB. The subsidy must be for the minimum term of the mortgage. **Sources of Public/Mission-Driven Financial Investment** could include: • Subordinate debt from a government affiliated lender – soft or hard debt • Real estate tax abatements or PILOT (payment in lieu of taxes) programs • Low payment long-term ground lease agreements • Mission-driven nonprofit entity(ies) providing equity The PV (present value) of the real estate tax abatement or PILOT or ground lease payment are calculated with a PV rate equal to the fixed-rate mortgage coupon plus 100 bps.

Financial Investment, Borrower and Affordability Requirements	**Non-Profit Borrowers** The sponsor must be a nonprofit entity that has a purpose and mission of owning, developing, operating, preserving, managing, or otherwise promoting affordable multifamily housing. The general partner or managing member of the borrower must be a nonprofit. Being the co-general partner for the purposes of qualifying for a real estate tax abatement is not sufficient. **Affordability requirements:** • 10% of the units must have rent and income restrictions for the term of the mortgage at or below 80% of AMI • An additional 70% of the units at the property must be affordable at or below 80% of AMI, but do not require rent and income restrictions. • 20% of the units at the property may be at market rents based on the subject location.
Options	• Fixed Rate – Up to 30 years • Floating Rate – Up to 10 years
Type of Funding	Forward commitment to provide permanent financing upon successful conversion from construction phase to permanent phase (unfunded forward)
Minimum Debt Coverage Ratio (DCR)	1.25x
Maximum Loan-to-Value (LTV) Ratio	80%
Construction Loan Term	36 months maximum
Maximum Amortization	30 years
Prepayment Provisions	Defeasance or yield maintenance
Subordinate Financing	Permitted
Tax and Insurance Escrows	Required
Fees	Application fee, commitment fee, standby fee, make-whole provision (including breakage)