



Freddie Mac Acquisition Upgrade and Acquisition Rehabilitation Mortgages

Freddie Mac Acquisition Upgrade and Acquisition Rehabilitation MortgagesSM enable you to purchase the property and make cosmetic improvements or substantial improvements that allow you to reposition properties in your respective markets. We invite you to talk to one of our Freddie Mac Multifamily Seller/Serviceers to find out why you can expect more from Freddie Mac on your next deal.

Key Benefits

- One financing, one application, one approval process, one closing, and one guaranteed fixed rate result in less hassle and more predictability.
- The ability to obtain funds to both purchase and upgrade or rehabilitate an existing multifamily property, maximizing cash flow through upfront financing.
- Reduced interest-rate risk when combined with the Freddie Mac Early Rate-Lock delivery option
- Clearly defined lending parameters and predictable rate-lock and closing timeframes
- Guaranteed permanent financing, since the acquisition and upgrade or rehabilitation funds are funded at the same time
- The ability to obtain supplemental financing as the property continues to improve through the Freddie Mac Supplemental Mortgage product

At-a-Glance Comparison

Product Summary	Acquisition Upgrade	Acquisition Rehabilitation
Eligible properties	Garden, mid-rise, high-rise multifamily	Garden, mid-rise, high-rise multifamily
Non-invasive moderate upgrade / rehabilitation with no systems disruptions	Yes	Yes
Maximum loan-to-value	86% of purchase price 80% of total cost 80% of appraiser's as stabilized value	90% of purchase price 80% of total cost 80% of appraiser's as stabilized value
Minimum debt coverage ratio	1.20x interest-only "as is" (1.15x may be available when there is 30% cash equity, good borrower, good market and good property condition) 1.20x amortizing as stabilized	1.15x interest-only "as is" (1.10x may be available when there is 30% cash equity, good borrower, good market and good property condition) 1.20x amortizing as stabilized
Minimum Upgrade / Rehabilitation costs per unit	\$3,000	\$10,000
Maximum Upgrade / Rehabilitation cost	Lower of \$10,000 per unit or 20% of the acquisition cost	Lower of \$30,000 per unit or 30% of the acquisition cost
Maximum period to stabilization	24 months	36 months
Stabilization period extension option	2-6 months or 1-12 months, for fee	2-6 months or 1-12 months, for fee
Repair escrow required <ul style="list-style-type: none"> • Cash or • Letter of credit or • Construction Completion Guaranty* 	Yes *If strong borrower with 25% cash equity in project	Yes *If strong borrower with 25% cash equity in project
Debt Service Coverage Shortfall Reserve required <ul style="list-style-type: none"> • Cash or • Letter of credit or • Guaranty* 	Yes, Maximum 6x NOI shortfall * May be considered	Yes, Maximum 6x NOI shortfall *May be considered
Collateral during rehab <ul style="list-style-type: none"> First lien on "as is" property Repair escrow Debt Service Coverage Reserve 	Yes	Yes

To Find Out More

For links to a list of Freddie Mac Multifamily Seller/Serviceers and to our Product Information page, visit www.FreddieMac.com/multifamily.