



We make home possible®

# Targeted Affordable Housing Program Offerings At-a-Glance

		Bond Credit Enhancements				Mortgages	
		LIHTC 4% <sup>1</sup>		With Other Affordability Components <sup>2</sup>		LIHTC 9% <sup>1</sup>	With Other Affordability Components <sup>2</sup>
		Variable-Rate	Fixed-Rate	Variable-Rate	Fixed-Rate	Fixed-Rate	Section 8, Section 236, Tax Abatement, 80-20 Bonds
Forward Commitment <sup>3</sup>		X	X			X	
Immediate Funding		X	X	X	X	X	X
Mod. Rehab		X	X			X	
DCR <sup>4</sup>		1.20x <sup>6</sup>	1.15x	1.20x	1.20x	1.15x	1.25x
DCR w/ HUD Risk-Sharing		N/A	1.15x	N/A	1.15x	1.10x	1.15x
LTV		80% of adjusted value or 85% of market value	85% of adjusted or market value	85% of market value or 80% of adjusted value	85% of adjusted or market value	90% of market value	80% of market value
LTV w/ HUD Risk-Sharing		N/A	90%	N/A	90%	90%	90%
Prepayment Provisions	Fee Maintenance	X		X	X		Freddie Mac will purchase mortgages with subsidies designed to preserve affordable housing such as Section 236 interest subsidies, tax abatements (finite & infinite) and Section 8. Contact a lender via Freddie Mac's TAH Delegated Network to learn more. <a href="http://FreddieMac.com/Multifamily">FreddieMac.com/Multifamily</a>
	Yield Maintenance					X	
Subordinate Debt	Soft <sup>5</sup>	X	X	X	X	X	
	Hard	X	X	X	X	X	
Freddie Mac Legal Fees		X	X	X	X		
Rate-Lock Options	Standard					X	
	Early					X	
Section 8		X	X	X	X	X	
Tax Abatement		X	X	X	X	X	

### Footnotes:

- For LIHTC transactions, check with your sales representative to determine if Freddie Mac is an equity investor. Low Income Housing Tax Credits (LIHTC) definition: A property with LIHTC in place and with at least seven (7) years remaining in the 10-year period following the date the property was placed in service. Check with your sales representative to determine if Freddie Mac is an equity investor.
- May include transactions with Section 8, Section 236, tax abatements and 80-20 bonds, as well as bond refundings or substitution. Information for these transactions can be found in Chapters 24, 25 and 26 in the Freddie Mac Delegated Underwriting for Targeted Affordable Housing Guide on AllRegs™.
- There are two Forward Commitment options available:
  - Unfunded Forward Commitments (stand-by):** The rate for the permanent mortgage is locked at the time Freddie Mac issues the Forward Commitment.
  - Funded Forward:** The construction and permanent mortgage interest rate is set at the time Freddie Mac issues the Forward Commitment. Freddie Mac will advance funds to the construction lender prior to, or during construction. As a condition of advancing funds, Freddie Mac requires a letter of credit as collateral during the construction and lease-up phases.
- Tax credits must have 7 years remaining. If not, a higher DCR will apply.
- Debt service cannot exceed 75% of cash flow after payment of operating expenses, replacement reserve contributions to escrows (e.g., tax and insurance escrows, transition reserve) and debt service on senior debt.
- A variable-rate transaction that has a swap of at least 10 years and that meets Freddie Mac requirements is eligible for a minimum DCR of 1.15x.