



Freddie Mac Multifamily Seniors Housing Product

Freddie Mac's Seniors Housing product serves the growing segment of rental housing dedicated exclusively to America's aging population. Borrowers who access Freddie Mac seniors housing financing through a Freddie Mac-approved lender enjoy the following benefits:

Flexibility: Our Seniors Housing product offers multiple financing options for a variety of seniors property types, including properties with a limited amount of skilled nursing or dementia care.

Stability: A stable source of capital, Freddie Mac is in the market every day and is committed to offering competitive, market-driven pricing.

Experience: Freddie Mac is one of the largest investors in the business. We have provided financing for a wide variety of seniors properties throughout the country for many borrowers. These borrowers include some of the most prominent seniors housing owners/operators in the industry, many of whom have sought Freddie Mac seniors financing for multiple properties. We understand the seniors housing industry and have dedicated professional staff to this market.

Eligible Loans

Permanent financing for:

- Seniors apartments
- Independent living properties
- Assisted living properties
- Properties that include some set-aside of units for skilled nursing or for residents with Alzheimer's or special needs may be eligible subject to Freddie Mac's policies.

Financing Options

Available financing options include:

- Conventional fixed-rate mortgages
- Standard and Capped ARMs
- Multifamily Bond Credit Enhancement Program
- Structured and Affordable transactions including multiple loan pools
- Supplemental mortgages and other options

Eligible Borrowers

- Partnership (general or limited); corporation; trust, joint venture or limited liability company
- Experienced owner/operator of comparable facilities

Eligible Seller/Service Providers

Freddie Mac Program Plus® Seller/Service Providers

Maximum Loan-to-Value (LTV)

- Independent living properties
 - 75% for amortizing loans
 - 70-75% for partial Interest-Only (IO), depending on loan terms selected
 - 60-70% for full IO, depending on loan terms selected
- Assisted living properties
 - 75% for amortizing loans
 - 70-75% for partial IO, depending on loan terms selected
 - 55-70% for full IO, depending on loan terms selected

Minimum Debt Coverage Ratio (DCR)

- Independent living properties, using amortizing constant for loan sizing purposes
 - 1.35x for amortizing loans
 - 1.25x – 1.30x for partial IO, depending on loan terms selected
 - 1.25x – 1.60x for full IO, depending on loan terms selected
- Assisted living properties, using amortizing constant for loan sizing purposes
 - 1.45x for amortizing loans
 - 1.35x – 1.40x for partial IO, depending on loan terms selected
 - 1.35x – 1.70x for full IO, depending on loan terms selected

Minimum Loan Amount

\$3 million per property

Security

- First mortgage/deed of trust
- Assignment of rentals and all other income sources
- Assignment of management contracts
- Assignment of service contracts
- Assignment of licenses and contracts
- Assignment of operating leases

Performance Reporting

Financial statements must be reported on a semi-annual basis for independent living properties and on a quarterly basis for assisted living properties.

Loan Terms

- 5, 7, 10, 15, 20 and 25 years for independent living properties
- 7, 10, 15, 20 and 25 years for assisted living properties and properties with skilled nursing

Amortization

- 25 years is standard
- Loans with terms of 20 years or greater must be fully amortizing

Property Seasoning

- Property must demonstrate a stabilized occupancy of 90% for 3 consecutive months and must have been occupied for at least 18 months.
- Freddie Mac may accept a shorter period of stabilized occupancy or operating history if the borrower provides performance escrows or other acceptable collateral.

Minimum Vacancy & Collection Loss

5% for properties that meet the minimum property seasoning requirements and 7% for properties that are below the minimum property operating history period.

Transfers/Assumptions

Permitted at Freddie Mac's sole discretion

Prepayment Provisions

Generally pre-payable in full, subject to applicable prepayment premium

Recourse Requirements

Non-recourse loans except for standard carve-out provisions

Third-Party Reports

- Appraisal, environmental report and engineering report required
- Liability assessment report required under certain circumstances

Escrows

- Tax and insurance escrows required
- Replacement reserve escrow required

Application Fee

Greater of \$5,000 or 0.15% of loan amount

Servicing Fee

Sliding scale between 0.05% and 0.2% based upon actual loan amount. The minimum servicing fee is 0.05% for loans secured by independent living properties and 0.07% for loans secured by assisted living properties.

Interest Rates

- Interest rates will be established on a loan-by-loan basis in accordance with Freddie Mac's risk-based pricing.
- Freddie Mac encourages high quality multifamily investments by providing lower interest rates for loans with low LTVs, high DCRs and/or shorter amortization schedules.