



Freddie Mac Acquisition Upgrade and Acquisition Rehabilitation Mortgages

Offers financing for the purchase of multifamily properties undergoing upgrades or major rehabilitation for repositioning in the market

Key Benefits

- The ability to obtain funds to purchase, and upgrade or rehabilitate an existing multifamily property
- Guaranteed permanent financing since the acquisition/upgrade or rehabilitation proceeds are funded at the same time
- 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

At-a-Glance Comparison

Product Summary	Acquisition Upgrade	Acquisition Rehabilitation Mortgage SM
Eligible Properties	Multifamily properties excluding seniors housing	Multifamily properties excluding seniors housing
Minimum Upgrade/Rehabilitation Costs	\$3,000 per unit	\$10,000 per unit
Minimum Upgrade/Rehabilitation Cost	Lower of \$10,000 per unit or 20% of acquisition cost, but at least \$3,000 per unit	Lower of \$30,000 per unit or 30% of 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
Completion Escrow Required	Yes, in the form of cash or Letter of Credit	Yes, in the form of cash or Letter of Credit
Debt Service Coverage Shortfall Reserve Required	Yes, in the form of cash or Letter of Credit; 110% of the shortfall	Yes, in the form of cash or Letter of Credit; 110% of the shortfall
Financing Gap Coverage	Yes, in the form of cash or Letter of Credit to cover 100% of the gap	Yes, in the form of cash or Letter of Credit to cover 100% of the gap

Loan-to-Value Ratio and Debt Coverage Ratio (Fixed) ACQUISITION UPGRADE / REHABILITATION	As Is DCR / Lower of Maximum LTC / LTP			As Stabilized DCR / LTV	
	DCR (Interest-Only)	Loan-to-Cost (LTC)	Loan-to-Purchase Price (LTP)	DCR	LTV
Acquisition Upgrade Mortgage Fixed-Rate (Amortizing Only)					
≥ 7 Year Term	1.25x	80%	85%	1.25x	80%
< 7 Year Term	1.25x	80%	85%	1.30x	70%
Acquisition Rehabilitation Mortgage Fixed-Rate (Amortizing Only)					
≥ 7 Year Term	1.20x	80%	85%	1.25x	80%
< 7 Year Term	1.20x	80%	85%	1.30x	70%

For more information, visit FreddieMac.com/Multifamily