



Freddie Mac Bond Credit Enhancement - 4% LIHTC

Freddie Mac offers financing for the new construction, substantial rehabilitation and moderate rehabilitation of affordable Low-Income Housing Tax Credit (LIHTC) multifamily properties that are funded entirely or in part by the sale of fixed- or variable-rate tax-exempt bonds. The Freddie Mac Bond Credit Enhancement - 4% LIHTC product was designed to provide the best financing solution for customers doing their part to preserve affordable housing across the nation. We invite you to talk to one of our Seller/Service providers through the Freddie Mac Targeted Affordable Housing (TAH) Delegated Network to learn more about our affordable housing products and offerings.

Key Benefits

- Offers various financing alternatives for your affordable housing development.
- Fixed-rate loans with HUD Risk Sharing may be allowed a more favorable LTV term.

At-a-Glance Comparison

Product Summary	Forward Commitment	Immediate Funding	Moderate Rehabilitation
Product Description	Forward commitment for new construction or substantial rehabilitation of affordable multifamily properties with 4% LIHTC	Financing for the acquisition or refinance of stabilized affordable multifamily properties with 4% LIHTC	Financing for the moderate rehabilitation (with tenants in place) of affordable multifamily properties with 4% LIHTC
Type of Funding	Funded and unfunded construction financing; permanent financing at conversion	Credit enhancement for fixed- or variable-rate tax-exempt bonds	Loan proceeds available for acquisition/ rehabilitation (max 24 months); full proceeds available at completion and lease-up
Eligible Properties	To-be-built or substantially rehabilitated garden, mid-rise or high-rise multifamily properties with 4% LIHTC	Garden, mid-rise or high-rise multifamily properties with 4% LIHTC that meet affordability criteria and with 90% occupancy for 90 days	Garden, mid-rise or high-rise multifamily properties with 4% LIHTC undergoing moderate rehabilitation with tenants in place
Minimum Debt Coverage Ratio	Variable-rate: 1.20x ¹ Fixed-rate: 1.15x	Variable-rate: 1.20x ¹ Fixed-rate: 1.15x	Variable-rate: 1.20x ¹ Fixed-rate: 1.15x
Maximum Loan-to-Value	Variable-rate: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted value or 90% of market value (90% of adjusted value w/ HUD Risk Sharing)	Variable-rate: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted or 90% of market value (90% of adjusted value w/ HUD Risk Sharing)	Variable-rate: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted or 90% of market value (90% of adjusted value w/ HUD Risk Sharing)
Loan Term	Minimum of the remaining LIHTC compliance period. Maximum 30 years.	Minimum of the remaining LIHTC compliance period. Maximum 30 years.	Minimum of the remaining LIHTC compliance period. Maximum 30 years.
Maximum Amortization	35 years	35 years	35 years
Prepayment Provisions	Fee Maintenance	Fee Maintenance	Fee Maintenance
Subordinate Financing	Available	Available	Available
Fees	Refundable: Funded – 1% of max loan amount Unfunded – 2% of proposed credit enhancement amount Non-refundable: Application fee, extension fee, legal fees	Non-refundable: Application fee, extension fee, legal fees	Non-refundable: Application fee, extension fee, legal fees
Application Fee	The greater of \$3,000 or 0.1% of the maximum loan amount	The greater of \$3,000 or 0.1% of the maximum loan amount	The greater of \$3,000 or 0.1% of the maximum loan amount
Tax and Insurance Escrows	Required per <i>TAH Guide</i> on AllRegs™	Required per <i>TAH Guide</i> on AllRegs	Required per <i>TAH Guide</i> on AllRegs

¹Variable-rate transaction with a swap of at least 10-years and meets Freddie Mac requirements is eligible for a minimum DCR of 1.15x.