



Freddie Mac Moderate Rehabilitation

Financing for the moderate rehabilitation of affordable LIHTC multifamily properties

Targeted Affordable Housing Offerings

- Bond Credit Enhancement – 4% LIHTC
- Bond Credit Enhancement With Other Affordability Components
- 9% LIHTC Mortgage
- Cash Mortgages With Other Affordability Components
- **Moderate Rehabilitation**
- Tax-Exempt Bond Securitization (TEBS)
- Fixed and Variable Liquidity Pricing

At-a-Glance Comparison

Product Summary	Bond Credit Enhancement – 4% LIHTC	9% LIHTC
Product Description	Bond Credit Enhancements provide for the moderate rehabilitation with tenants in place of affordable multifamily properties with 4% LIHTC	Financing for the moderate rehabilitation with tenants in place of affordable multifamily properties with 9% LIHTC
Type of Funding	Bond credit enhancement for acquisition/ rehabilitation based on projected post-rehab NOI; cash or letter of credit collateral required to fund gap between supportable debt on current NOI and mortgage amount (collateral held until stabilization). Interest only during the rehabilitation/stabilization period.	Financing for acquisition/ rehabilitation (max 24 months); based on projected post-rehab NOI; cash or letter of credit collateral required to fund gap between supportable debt on current NOI and mortgage amount (collateral held until stabilization). Interest only during the rehabilitation/stabilization period.
Eligible Properties	Garden, mid-rise or high-rise multifamily properties with 4% LIHTC undergoing moderate rehabilitation with tenants in place	Garden, mid-rise or high-rise multifamily properties with 9% LIHTC that are undergoing moderate rehabilitation with tenants in place
Minimum Debt Coverage Ratio	<ul style="list-style-type: none"> • Variable-rate with cap hedge: 1.20x; 1.25x for cash-out refinance • Fixed-rate and variable rate with minimum 10-year swap: 1.15x; 1.20x for cash-out refinance 	1.15x (1.10x w/ HUD Risk Sharing) <u>Cash-out Refinance:</u> 1.20x (1.15x w/ HUD Risk Sharing)
Maximum Loan-to-Value	<ul style="list-style-type: none"> • Variable-rate with cap hedge: 80% of adjusted value or 85% of market value • Fixed-rate and variable rate with minimum 10-year swap: 85% of adjusted value or 90% of market value • HUD Risk Sharing (fixed-rate only): 90% of adjusted value 	90% of market value
Loan Term	Minimum of the remaining LIHTC compliance period. Maximum term of 35 years. Rehabilitation/ stabilization period (max 24 months) will be included in loan term.	Minimum of the remaining LIHTC compliance period. Maximum term of 35 years. Rehabilitation/ stabilization period (max 24 months) will be included in loan term.
Maximum Amortization	35 years	35 years
Prepayment Provisions	Fee Maintenance	Yield Maintenance
Subordinate Financing	Permitted per <i>TAH Guide</i> requirements	Permitted per <i>TAH Guide</i> requirements
Tax and Insurance	Required per <i>TAH Guide</i>	Required per <i>TAH Guide</i>
Fees	Refer to Exhibit 11: TAH Fee Schedule, in the <i>TAH Guide</i>	Refer to Exhibit 11: TAH Fee Schedule, in the <i>TAH Guide</i>

For more information, visit FreddieMac.com/Multifamily