



Freddie Mac New York City Pilot

Freddie Mac is now offering a unique pilot for New York City borrowers designed to offer flexible prepayment options and a streamlined approval process. The NYC area is defined as including only the five boroughs of New York.

At-a-Glance

Eligible Loans	\$12 million and under
Eligible Locations	New York City five boroughs only
Eligible Borrowers	Limited to borrowers that own 50 or more units
Eligible Seller/Serviceicers	Program Plus® Seller/Serviceicers authorized to conduct business in these locations (no geographic waivers will be permitted)
Supplemental Financing	Permitted under standard Freddie Mac guidelines for Supplemental Mortgages
Loan Term	5 to 30 years
Early Rate-Lock (ERL)	<ul style="list-style-type: none"> • Good faith deposit of 1% • 90-day funding • Standard breakage language
Pricing	<p>Option to price with yield maintenance or step down prepayment options</p> <p><u>Step Downs:</u></p> <p>5-year deal 5%, 4%, 3%, 2%, 1%</p> <p>7-year deal 5%, 5%, 4%, 4%, 3%, 2%, 1%</p> <p>10-year deal 5%, 5%, 5%, 5%, 5%, 5%, 4%, 3%, 2%, 1% or 5%, 5%, 4%, 4%, 3%, 3%, 2%, 2%, 1%, 1%</p> <ul style="list-style-type: none"> • No price adjustment based on loan size • Premium pricing permitted • Minimal price adjustment for loans with commercial income greater than 20% of effective gross income; no adjustment for loans with commercial income less than 20% • Application fee costed into net spread
Underwriting	Underwriting to collections (actual rent roll, no vacancy or rent trending)
Recourse Requirements	Non-recourse except for standard carve-out provisions
Third-Party Reports	Engineering report (environmental report limited to database search) and full appraisal required
Property Inspections	Required
Transfers/Assumptions	Permitted as under normal Freddie Mac guidelines
Tax and Insurance Escrow	Required
Contact	Mike Edelman, Freddie Mac Northeast Region managing director, at (212) 418-8932

NYC Pilot At-a-Glance, Continued

Sizing Parameters	Acquisition	Refinance
<p>Minimum Debt Coverage Ratio (DCR)</p>	<p><u>Amortizing:</u> 5 to < 7 yrs: 1.30x ≥ 7 and ≥ 10 yrs: 1.25x</p> <p><u>Full Term IO</u> (IO DCR calculation): 1.55x</p> <p><u>Partial IO</u> (up to 2 years IO): 5 to < 7 yrs: 1.30x ≥ 7 and ≥ 10 yrs: 1.25x</p>	<p><u>Amortizing:</u> 5 to < 7 yrs: 1.30x (1.35x for cash-out refi) ≥ 7 & ≥ 10 yrs: 1.25x (1.30x for cash-out refi)</p> <p><u>Full Term IO</u> (IO DCR calculation): 1.55x (1.60x for cash-out refi)</p> <p><u>Partial IO</u> (up to 2 years IO): 5 to < 7 yrs: 1.30x (1.35x for cash-out refi) ≥ 7 & ≥ 10 yrs: 1.25x (1.30x for cash-out refi)</p>
<p>Maximum Loan-to-Value (LTV)</p>	<p><u>Amortizing:</u> 5 to < 7 yrs: 70% ≥ 7 to < 10 yrs: 75% ≥ 10 yrs: 80%</p> <p><u>Full Term IO:</u> < 7 yrs: 60% ≥ 7 yrs: 65%</p> <p><u>Partial IO:</u> 5 to < 7 yrs: 60% w/ up to 2 years IO ≥ 7 to < 10 yrs: 75% w/ up to 2 years IO ≥ 10 yrs: 80% w/ up to 2 years IO</p>	<p><u>Amortizing:</u> 5 to < 7 yrs: 65% ≥ 7 to < 10 yrs: 70% ≥ 10 yrs: 75%</p> <p><u>Full Term IO:</u> < 7 yrs: 60% ≥ 7 yrs: 65%</p> <p><u>Partial IO:</u> 5 to < 7 yrs: 60% w/ up to 2 years IO ≥ 7 to < 10 yrs: 70% w/ up to 2 years IO ≥ 10 yrs: 75% w/ up to 2 years IO</p>