



Freddie Mac Premier and Standard Lease-Up Execution

Offers two options for construction loan takeout financing

Key Benefits

- Borrowers can take advantage of our extended early rate-lock delivery
- Properties have more time to reach stabilization (up to 24 months)
- After the property has achieved underwritten occupancy and rent levels for just six months, Freddie Mac will release the credit enhancement

At-a-Glance Comparison

Product Summary	Standard Lease-Up	Premier Lease-Up
Eligible Properties	<ul style="list-style-type: none"> • Conventional newly constructed or substantially renovated properties in lease-up • Average to above average sponsorship, property, location, market; not more than 90% LTC; property must exhibit strong lease-up 	<ul style="list-style-type: none"> • Conventional newly constructed or substantially renovated properties in lease-up • Excellent sponsorship, property, location, market; not more than 90% LTC; property must exhibit strong lease-up
Rate-Lock	Lock at break-even occupancy at maximum note rate and 100% certificates of occupancy issued	Lock at minimum 40% occupancy, 50% leased and 50% certificates of occupancy issued. High-rises must also have 100% complete exterior, shell and mechanical systems.
Rate-Lock Term	Up to 12 months	Up to 18 months
Good Faith Deposit	3%	3% up to 12 months; 4% if more than 12 months
Closing/Origination	<ul style="list-style-type: none"> • Close at 90% occupancy for 90 days • 100% certificates of occupancy issued 	<ul style="list-style-type: none"> • Close at rent level and occupancy calculation equivalent to the minimum amortizing DCR (calculation determined by Freddie Mac prior to rate-lock and set in the ERL Application) • Occupancy cannot be below 65% • Requires a certificate of substantial completion and no less than 85% of certificates of occupancy issued. If less than 100% certificates of occupancy, then completion guaranty also required.
Loan Enhancement at Closing	Cash or Letter of Credit for 100% of financing gap	Cash or Letter of Credit for 100% of financing gap

Loan-to-Value Ratio and Amortizing¹ Debt Coverage Ratio

PREMIER AND STANDARD LEASE-UP FIXED-RATE	Maximum Loan-to-Cost	LTV/DCR (at Closing)			DCR (at Stabilization)		
		Amortizing	Partial Interest-Only	Interest-Only (using amortizing payment)	Amortizing	Partial Interest-Only	Interest-Only (using amortizing payment)
Acquisition							
≥ 7 Year Term	90%	80% / 1.10x	80% / 1.10x	65% / 1.30x	1.25x	1.25x	1.30x
< 7 Year Term	80%	70% / 1.15x	60% / 1.15x	60% / 1.35x	1.30x	1.35x	1.35x

¹The debt coverage ratio (DCR) calculated for the Partial Interest-Only and Interest-Only period uses an amortizing payment.

For more information, visit FreddieMac.com/Multifamily