



PRODUCT SNAPSHOT

## Bond Credit Enhancement with Other Affordability Components

### Credit Enhancements from Tax-Exempt Bonds

Freddie Mac's Bond Credit Enhancement program provides for the preservation of the affordable housing stock with flexibility in transaction structuring and certainty of execution.

The program is for fixed- or variable-rate multifamily housing bonds including bond refundings, substitutions or new issue transactions with 80-20 bonds, taxable bonds in combination with tax-exempt bonds, 501(c)(3) bonds, Section 8, Section 236 or tax abatements.

#### The Freddie Mac Difference

When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our Sellers to tackle complicated transactions, provide certainty of execution and fund quickly. Contact your Freddie Mac Multifamily representative today — we're here to help.

#### Borrowers Who Want to Know More

Contact one of our approved Seller/Service providers at:  
[FreddieMac.com/multifamily/lenders](http://FreddieMac.com/multifamily/lenders)

- For tax-exempt bonds for refundings, substitutions and acquisitions
- New credit enhancement facility or replacement of an existing one
- We support eligible mixed-use properties

Freddie Mac Multifamily  
**Green Advantage**<sup>SM</sup>

Our new Freddie Mac Multifamily **Green Advantage**<sup>SM</sup> initiative rewards borrowers who improve their properties to save energy or water.



[FreddieMac.com/multifamily/product/](http://FreddieMac.com/multifamily/product/)

<b>Eligible Property Types</b>	Garden, mid-rise and high-rise multifamily properties with minimum occupancies of 90% for 90 days
<b>Terms</b>	10 to 30 years
<b>Eligible Transactions</b>	New credit enhancement facility or replacement of existing credit enhancement facility for tax-exempt bonds for refundings, substitutions and acquisitions
<b>Maximum Amortization</b>	30 years
<b>Minimum Debt Coverage Ratio (DCR)<sup>1</sup></b>	<ul style="list-style-type: none"> <li>■ Variable-rate with cap hedge: 1.25x</li> <li>■ Fixed-rate: 1.25x</li> </ul>
<b>Maximum Loan-to-Value (LTV) Ratio<sup>1</sup></b>	<ul style="list-style-type: none"> <li>■ Variable-rate with cap hedge: 80% of adjusted value or 85% of market value</li> <li>■ Fixed-rate: 85% of adjusted value or 90% of market value</li> </ul>
<b>Prepayment Provisions</b>	Fee maintenance required
<b>Subordinate Debt</b>	Permitted
<b>Recourse Requirements</b>	Non-recourse except for standard carve-out provisions
<b>Appraisal, Environmental and Engineering Report</b>	Required
<b>Property and Real Estate Tax Escrow</b>	Required
<b>Fees</b>	Application fee, commitment fee, credit facility fee, outside counsel fees, plus other fees as applicable

<sup>1</sup> Adjustments may be made depending on the property, product, and/or market.

**For More Information**

Contact your Targeted Affordable Housing representative.

