



PRODUCT SNAPSHOT

Lease-Up Loan

Lock in Low Interest Rates Before Stabilization

In today's market, new properties are in high demand. Borrowers want to take advantage of low interest rates early in the process. Our Lease-Up Loan allows borrowers to lock in a rate and fund a loan before the collateral is fully stabilized.

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](https://www.FreddieMac.com/multifamily/lenders)

- This type of loan is for refinancing or acquiring newly-constructed properties
- Fixed- and floating-rate loans are available; interest-only also available during lease-up period
- We support eligible mixed-use properties

Freddie Mac Multifamily
Green AdvantageSM

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



[FreddieMac.com/multifamily/product/](https://www.FreddieMac.com/multifamily/product/)

The information in this document is not a replacement or substitute for information found in the *Freddie Mac Multifamily Seller/Service Guide*. Terms set forth herein are subject to change without notice.

Lease-Up Loan ▶ Conventional, Targeted Affordable

	Refinance Lease-Up	Acquisition Lease-Up
Product Description	Refinancing for newly constructed properties	Acquisition financing for newly constructed properties
Eligible Borrowers	Borrowers must have experience with new construction and/or lease-up properties, and generally have strong financial capacity and real estate management expertise with good performance and credit history	
Eligible Property Types	<ul style="list-style-type: none"> ■ Well-constructed properties, exhibiting strong lease-up trends, and located in good locations and markets ■ Student housing, seniors housing and manufactured housing community transactions are not eligible ■ Stabilization expected within 12 months of funding 	
Loan Types	<ul style="list-style-type: none"> ■ Fixed- and floating-rate loans ■ Interest-only available during the lease-up period ■ See the Fixed-Rate Loan and Floating-Rate Loan term sheets for details 	
Markets	Targeting strong markets and locations	
Maximum Loan-to-Value (LTV) Ratio	75% (as-stabilized)	70% (as-stabilized)
Minimum Debt Coverage Ratio (DCR)	1.30x	1.30x
Minimum Cash Equity Requirement	15%	30%
Minimum Credit Enhancement Requirements	Letter of credit or cash hold back sized to: <ul style="list-style-type: none"> ■ 5% of the underwritten value for a loan with an LTV ≤ 70% ■ 10% of underwritten value for a loan with an LTV > 70% 	No credit enhancement required
Rate Lock	<ul style="list-style-type: none"> ■ 50% occupied ■ 60% leased ■ 60% or more Certificates of Occupancy issued 	

	Refinance Lease-Up	Acquisition Lease-Up
Funding	<ul style="list-style-type: none"> ■ 1.05x I/O DCR ■ 65% occupied ■ 75% leased ■ 100% of Certificates of Occupancy issued 	<ul style="list-style-type: none"> ■ 1.0x I/O DCR ■ 65% occupied ■ 75% leased ■ 100% of Certificates of Occupancy issued
Stabilization	<ul style="list-style-type: none"> ■ Minimum 90% occupied ■ 1.25x amortizing DCR for 3 consecutive months 	
Appraisal Report	The appraisal report must provide the as-is and as-stabilized values for the property	
Release of Credit Enhancement Requirements/ Stabilization	<p>Stabilization and/or release of credit enhancement will occur once the property has achieved 1.25x amortizing DCR for 3 months and met other standard conditions as set forth by Freddie Mac</p> <p>If stabilization is not reached within 12 months, then the credit enhancement, if available, will be used to resize the loan and recast the payments</p> <p>Minimum 90% occupancy and underwritten NRI must be achieved for 3 consecutive months. Income must be based on the certified rent roll or trailing 1-month collections</p>	
Premier Sponsors and Markets	Additional flexibility available on a case-by-case basis through an assessment of the sponsor and market as determined by Freddie Mac	