



PRODUCT SNAPSHOT

Manufactured Housing Community Loan

Customized Loans for Manufactured Housing Communities

With flexible financing, competitive pricing, and certainty and speed of execution, our manufactured housing community (MHC) loans provide an affordable housing option for underserved populations, particularly in rural and non-metro areas across the country, where MHCs are an important source, sometimes the only source, of affordable housing.

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.

Seller/Service providers interested in selling MHC loans to Freddie Mac should contact the applicable Freddie Mac Multifamily Regional Office.

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)

- Designed specifically for MHC funding
- Expands affordable housing options for underserved populations, particularly in rural and non-metro areas where MHCs are more prevalent
- Up to 25% of the homes can be rentals
- Predominately all-age or family

Manufactured Housing Community Loan ▶ Conventional

Eligible Property Types	Existing, stabilized, high-quality, professionally-managed manufactured housing communities (MHCs), with or without age restrictions, excluding senior housing loans
Eligible Seller/ Servicers	Freddie Mac Multifamily Approved Seller/Servicers may originate or service a MHC loan. We prefer Seller/Servicers with a staff that is experienced and knowledgeable in the structure, origination and delivery of MHC loans.
Eligible Borrowers	<p>A key principal should have two or more years of experience in operating MHCs and should own one other MHC property</p> <p>The borrower may be a limited partnership, corporation, limited liability company or a tenancy in common (TIC) with 10 or fewer tenants in common. General partnerships, limited liability partnerships, REITs and certain trusts may also be acceptable in limited circumstances, subject to additional requirements</p> <p>A borrower must be a Single Purpose Entity (SPE). On loans less than \$5 million, a borrower other than a TIC may be a Single Asset Entity instead</p> <p>If the borrower is a TIC, each TIC must be an SPE</p>
Terms	Up to 5-, 7- and 10-year terms
Amount	\$1 million or larger
Maximum Amortization	30 years
Interest Rate	Fixed- or floating-rate options are available; please refer to the Fixed-Rate Loan and Floating-Rate Loan term sheets for additional information
Interest Only	Refer to the chart on the next page
Prepayment Provisions	Yield maintenance until securitized followed by 2-year lock out; defeasance thereafter. No prepayment premium for final 90 days. If loan is not securitized within first year, then yield maintenance applies until the final 90 days. Yield maintenance without defeasance is available for securitized loans for an additional cost
Recourse Requirements	Non-recourse except for standard carve-out provisions
Supplemental Financing	Available, subject to the supplemental loan offering requirements
Tax and Insurance Escrows	Required
Replacement Reserve Escrow	Minimum \$50/site/year and \$250/borrower-owned manufactured home/year (if included in the collateral)
Application Fee	Greater of \$2,000 or 0.1% of loan amount
Early Rate and Spread Lock Options	Early rate and spread lock options available, typically ranging from 60 days to 120 days, including our early rate-lock and index lock options.



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Refinance Test	No Refinance Test is necessary if the loan has an amortizing debt coverage ratio (DCR) of 1.40x or greater and a loan-to-value (LTV) ratio of 65% or less; all partial-term interest-only loans must pass the Refinance Test
Additional Considerations	<p>The property must have a minimum of five pad sites</p> <p>The percentage of homes owned by the borrower, borrower-affiliate or third-party investor cannot exceed 25% in aggregate</p> <p>Homes must conform to the requirements of the Federal Manufactured Home Construction and Safety Standards Act of 1974 (HUD Code Standards)</p> <p>Private wells and septic systems are allowed with considerations</p> <p>Leases cannot contain options to purchase pad site, or borrower-owned manufactured homes</p> <p>Retail sales or financing by borrowing entity of any manufactured homes is not allowed</p> <p>RV resorts and broken condominiums are excluded</p>

FIXED-RATE/FLOATING-RATE¹ LTV RATIOS AND AMORTIZING² DCRS

Fixed-Rate Base Conventional Maximum LTV and Minimum DCR ³	Amortizing	Partial-Term Interest-Only ⁴	Full-Term Interest-Only
Acquisitions and Refinances			
≥ 5-Year and < 7-Year Term	70% / 1.30x	70% / 1.30x	60% / 1.40x
7-Year Term	75% / 1.25x	75% / 1.25x	65% / 1.35x
> 7-Year Term	75% / 1.25x	75% / 1.25x	65% / 1.35x

¹ Floating-rate proceeds are calculated based on the comparable fixed note rate.

² The DCR calculated for the partial-term interest-only and full-term interest-only period used an amortizing payment.

³ Adjustments may be required depending on the property, product and/or market.

⁴ For partial-term interest-only loans, there must be a minimum amortization period of 5 years. Acquisition loans with a minimum of a 5-year term may have up to 1 year of partial-term interest-only. For terms of 10 years or more, loans have interest only in an amount equal to no more than half of the loan term.

FOR MORE INFORMATION

Contact your Freddie Mac representative.



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