



PRODUCT SNAPSHOT

Small Balance Loans

Fast, Flexible and Cost-Effective

As a leader in multifamily financing, we're changing the way small apartment loans are done by giving you more choices, better terms and a faster, simpler loan process. It's financing that fits your needs.

Benefit from a combination of features not available anywhere else and get personal service from in-market experts who specialize in creative solutions for single and pooled loans. Plus, we'll get you to the closing table on time. Whether your goal is to grow your portfolio, improve returns on existing assets, or meet other financial goals, we have the strength, expertise and reliability to get you there.

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

- Six hybrid ARM and fixed-rate options
- Non-recourse
- Interest-only available
- Up to 80% LTV in certain markets
- 30-year amortization
- Declining prepayment options
- Coupon pricing
- Certainty of execution
- Your servicing partner for the life of your loan



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.

Eligible Seller/Service	Freddie Mac-approved Small Balance Loan Seller/Service
Markets	Nationwide
Loan Amount	\$1 million to \$5 million
Loan Purpose	Acquisition or refinance
Loan Terms	<ul style="list-style-type: none"> ■ 20-year hybrid ARM with initial 5-, 7-, or 10-year fixed-rate period ■ 5-, 7-, or 10-year fixed-rate loan
Amortization	Up to 30 years
Interest Only	Partial-term interest-only; full-term interest-only may be available
Prepayments	Declining schedules and yield maintenance available for all loan types—please refer to the chart on page 3
Eligible Borrowers/ Borrowing Entities	Individuals who are US citizens; limited partnerships; limited liability companies; Single Asset Entities; Special Purpose Entities; tenancy in common with up to five unrelated members; and Trusts (irrevocable trusts and revocable trusts with a individual guarantor)
Recourse	Non-recourse with standard carve-out provisions required
Subordinate debt	Not Permitted
Net Worth and Liquidity	<ul style="list-style-type: none"> ■ Net worth: Equal to the loan amount ■ Liquidity: Equal to 9 months of principal and interest
Eligible Properties	<p>Multifamily housing with five¹ residential units or more, including:</p> <ul style="list-style-type: none"> – Properties with tax abatements and Section 8 vouchers – Cooperatives in the five boroughs of New York City and Long Island – Seniors housing with no resident services – Low-Income Housing Tax Credit (LIHTC) properties with Land Use Restriction Agreements (LURAs) in the extended use period or in the final 24 months of the initial compliance period (in both cases, provided the tax credit investor has exited the project)² – Properties with certain regulatory agreements with local, state or federal housing authorities that impose income and/or rent restrictions² – Properties with space for certain commercial (non-residential) uses³ <p>¹ Borrower entity required for properties in New Jersey with less than seven units ² Available for properties with 50 units or less; requires pre-screen approval from Freddie Mac SBL production ³ Contact your Freddie Mac representative for details</p>

<p>Ineligible Properties</p>	<ul style="list-style-type: none"> ■ Seniors housing with resident services ■ Student housing (greater than 50% concentration) ■ Military housing (greater than 50% concentration) ■ Properties with Section 8 project based HAP contracts ■ Low Income Housing Tax Credit (LIHTC) properties with LURAs in compliance years 1 through 12 ■ Tax exempt bonds Interest Reduction Payments (IRPs) 								
<p>Occupancy</p>	<p>Property must be stabilized at:</p> <p>A. 90% physical occupancy for the trailing 3-month average prior to Underwriting or</p> <p>B. 85% physical occupancy for the trailing 3-month average prior to Underwriting if the subject property has any of the following characteristics:</p> <ul style="list-style-type: none"> i. Property is recently built or renovated in a Top Market ii. Property is <30 units iii. Acquisition with all of the following: <ul style="list-style-type: none"> ▫ Sophisticated acquiring sponsorship and management relative to current ownership ▫ Appraised occupancy and/or rents materially higher than subject's current operations ▫ Subject property has not experienced volatile historical occupancy swings ▫ No history of serious crime at the subject property 								
<p>Replacement Reserves</p>	<p>Underwritten replacement reserves will be determined based on a rating established in the streamlined PNA. The rating will estimate the level of improvements needed over the life of the loan. The rating scale will be similar to below:</p> <table border="1" data-bbox="418 1121 878 1289"> <thead> <tr> <th>Amount</th> <th>Level</th> </tr> </thead> <tbody> <tr> <td>\$200</td> <td>Low</td> </tr> <tr> <td>\$250</td> <td>Moderate</td> </tr> <tr> <td>\$300</td> <td>High</td> </tr> </tbody> </table>	Amount	Level	\$200	Low	\$250	Moderate	\$300	High
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<p>Escrows</p>	<ul style="list-style-type: none"> ■ Real estate tax escrow deferred for deals with an LTV ratio of 65% or less ■ Insurance escrow deferred ■ Replacement reserve escrow deferred 								
<p>Rate-Lock</p>	<p>60- to 120-day rate-lock period available</p>								

<p>Fixed-Rate/Hybrid ARM LTV Ratios and Amortizing DCRs</p>	<p>LTV and DCR requirements vary based on the market tier in which the property resides: Top Market, Standard Market, Small Market or Very Small Market. To determine market tier, please consult the SBL Market Tiering list on our SBL Originate and Underwrite page.</p> <table border="1" data-bbox="425 407 1372 615"> <thead> <tr> <th></th> <th>Minimum Amortizing DCR</th> <th>Maximum LTV</th> </tr> </thead> <tbody> <tr> <td>Top SBL Markets</td> <td>1.20x</td> <td>80%</td> </tr> <tr> <td>Standard SBL Markets</td> <td>1.25x</td> <td>80%</td> </tr> <tr> <td>Small SBL Markets</td> <td>1.30x</td> <td>70%*</td> </tr> <tr> <td>Very Small SBL Markets</td> <td>1.40x</td> <td>70%*</td> </tr> </tbody> </table> <p>* Maximum 75% LTV for Acquisitions</p>		Minimum Amortizing DCR	Maximum LTV	Top SBL Markets	1.20x	80%	Standard SBL Markets	1.25x	80%	Small SBL Markets	1.30x	70%*	Very Small SBL Markets	1.40x	70%*																	
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<p>Full Term Interest-Only Adjustments</p>	<p>Full Term IO or Full Term IO during Fixed-Rate Period of Hybrid ARM</p> <table border="1" data-bbox="425 714 1372 835"> <thead> <tr> <th></th> <th>Add to the Baseline</th> <th>Maximum LTV</th> </tr> </thead> <tbody> <tr> <td>Top and Standard SBL Markets</td> <td>0.15x</td> <td>65%</td> </tr> <tr> <td>Small and Very Small SBL Markets</td> <td>0.10x</td> <td>60%</td> </tr> </tbody> </table> <p>Maximum available Partial IO Period for Small and Very Small SBL Markets is limited to:</p> <ul style="list-style-type: none"> ■ 0 years on 5-year term ■ 1 year for a 7-year term ■ 2 years for a 10-year term/20-year hybrid 		Add to the Baseline	Maximum LTV	Top and Standard SBL Markets	0.15x	65%	Small and Very Small SBL Markets	0.10x	60%																							
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For a list of Freddie Mac SBL Seller/Serviceers, visit <http://www.freddiemac.com/multifamily/product/sbl.html>.

