



PRODUCT SNAPSHOT

## Supplemental Loan

### Add-On Funding Without Refinancing

Our supplemental loan gives borrowers access to additional capital at a cost lower than refinancing. Take advantage of Freddie Mac's flexible terms, streamlined underwriting and certainty of execution.

#### 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)

- A supplemental loan placed at least 12 months after origination of the first loan or the most recent prior supplemental loan
- Additional financing options in conjunction with seasoned multifamily loans
- Both fixed- and floating-rate supplemental loans available
- Supplemental financing behind seasoned securitized loans is a unique advantage of the Freddie Mac execution

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/](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.

## Supplemental Loan ▶ Conventional, Seniors, Targeted Affordable

<b>Eligible Seller/Service</b>	<ul style="list-style-type: none"> <li>■ If the first loan has been securitized, the original approved Seller/Service for that first loan</li> <li>■ If the first loan has not been securitized, the approved Seller/Service currently servicing that first loan</li> </ul>
<b>Eligible Borrowers</b>	Original first loan borrower or lender-approved transferee
<b>Eligible Loans<sup>1</sup></b>	<ul style="list-style-type: none"> <li>■ Loans behind existing first loans                             <ul style="list-style-type: none"> <li>– In good standing</li> <li>– Purchased through the Conventional Cash Mortgage Purchase Program, the Targeted Affordable Housing Cash Mortgage Purchase Program and conventional structured transactions</li> </ul> </li> <li>■ Prior loans (first loans and any prior supplemental loans in place) must have remaining terms of 3 years or more</li> <li>■ Minimum supplemental amount: \$1 million</li> </ul>
<b>Terms</b>	Coterminous with first loan; must be at least 12 months after origination of the first loan or the most recent prior to the supplemental loan; not available during the last 3 years of the first loan
<b>Prepayment Provisions</b>	Structured as a yield maintenance loan
<b>Reserve Requirements</b>	Origination of a supplemental loan behind a securitized loan will trigger collection of any deferred reserves for that first loan
<b>Refinance Test</b>	The <a href="#">Refinance Test</a> is based on the sum of the debt service and unpaid principal balance of the first loan and all existing and proposed supplemental loans <sup>1</sup>
<b>Servicing Fee</b>	Calculation based on supplemental proceeds

<sup>1</sup> Supplemental loans are also subject to conditions set forth in the first loan and any existing supplemental loan documents. All LTVs and DCRs are calculated based on the sum of the debt service and unpaid principal balance of the first loan and all existing and proposed supplemental loans.

Loan-to-Value (LTV) Ratios and Amortizing<sup>2</sup> Debt Coverage Ratios (DCRs)

Supplemental Loan <sup>3</sup> Base Maximum LTV and Minimum DCR	Fixed-Rate LTV/DCR			Floating-Rate LTV/DCR (DCR at comparable fixed note rate)		
	Amortizing	Partial-Term Interest-Only <sup>4</sup>	Full-Term Interest-Only	Amortizing	Partial-Term Interest-Only <sup>4</sup>	Full-Term Interest-Only
<b>Acquisitions and Refinances</b>						
<b>≥ 5-Year and &lt; 7-Year Term</b>	75% / 1.30x	75% / 1.30x	65% / 1.40x	75% / 1.30x	75% / 1.30x	65% / 1.40x
<b>7-Year Term</b>	80% / 1.25x	80% / 1.25x	70% / 1.35x	80% / 1.25x	80% / 1.25x	70% / 1.35x
<b>&gt; 7-Year Term</b>	80% / 1.25x	80% / 1.25x	70% / 1.35x	80% / 1.25x	80% / 1.25x	70% / 1.35x

<sup>2</sup> The DCR calculated for the partial-term interest-only and full-term interest-only period uses an amortizing payment.

<sup>3</sup> If fewer than 5 years is remaining on the first loan, add 5 bps to the DCR. If fewer than 3 years is remaining on the first loan, a supplemental is not allowed.

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