

# Age-Restricted Apartment Loan Processing

## Production Guidelines

### Overview

Due to the increasing trend of our Borrowers owning and operating both Age Restricted (AR) and Senior Housing communities in their portfolios, and the Seniors underwriting knowledge required, the Seniors Housing Team will start quoting, underwriting and closing all Conventional age restricted loans for Freddie Mac Multifamily effective March 2, 2022.

- This applies to all Multifamily Conventional Loans with a tenant age restriction of 55+ years, regardless if the age restriction is derived from a zoning/deed restriction or the owner's marketing decision.
- AR loans that fall under the SBL, MHC, Structured or TAH program definitions shall be processed by those specialty groups since the more relevant underwriting knowledge for those properties/structures resides within those groups.

### Initial Quote Stage Processing

1. Prior to an automatic routing solution via myOptigo® (late May at the earliest), Optigo® lenders (OLs) shall submit all AR loan quote submissions to their regional multifamily production team via myOptigo.
  - The regional productions teams shall notify Seniors Housing production upon receipt of any AR loan.
  - The Multifamily Quote Narrative and Loan Submission Template (LST) formats (not the Senior Housing forms) shall be submitted to the Seniors Housing Production Team for all AR quote request submissions.
  - OLs are instructed to check the "Age Restricted" box (Yes or No) in the Tenant Concentration Section of the LST when electronically submitting an AR transaction for quote
2. OLs should also concurrently email [Seniors\\_Housing\\_Production@freddiemac.com](mailto:Seniors_Housing_Production@freddiemac.com) with the property name and FMMF loan #, along with the OL originator's contact information.
  - Each FMMF Seniors Housing producer is assigned to specific OLs on a national basis. [The Seniors Housing Lender Assignments – Aged Restricted Loans](#) document is published on [the Originate & Underwrite webpage](#) in the [Contacts section](#).
3. Seniors Housing production will notify OL of receipt of the AR loan quote submission.
4. If a loan is deemed by the OL originator to be an AR loan and does not have any Independent Living (IL), Assisted Living (AL) or Memory Care (MC) type services or rent premiums, the OL originator is under no obligation to work with the seniors housing specialists at their own firm and may send the quote request directly to their designated FMMF Seniors Housing producer.
  - If a loan is subsequently found to contain elements of rent premiums, or IL, AL or MC services, then the OL's seniors housing specialists may be asked to assist with the quote and underwriting process.
  - Conversely, the OL's seniors housing production specialists are free to submit an AR loan to their assigned FMMF seniors housing producer directly.
5. Sizing, pricing and underwriting of AR loans shall continue to be processed in conformance with Conventional, non-AR, Multifamily loan terms.
6. Reasonable deviations from AR definitions will be considered and allowed. For example, while the provision of meal services generally characterizes a property as Seniors Housing (IL, AL, or

MC), if an AR property is offering an optional daily continental breakfast, “happy hours” or “cookouts,” the property shall still be processed as an AR loan.

### **Quote Stipulations and Other Loan Document Changes**

Conventional loan documents (and not Seniors Housing loan documents) will be utilized. AR quotes shall include any stipulations that differ from conventional multifamily quotes such as:

1. Any special data requests. For example: rent premiums to comparable conventional apartments, AR sales comparables, etc.
2. Age Restricted riders to the Loan Agreement and Assignment of Management Agreement are required which shall prohibit the borrower or property manager (if any) from providing or contracting for meal or healthcare services, medication assistance, ADL assistance, etc. that would characterize the property as a Seniors Housing (IL, AL or MC) community.