

# Optigo<sup>®</sup> Conventional Small



## Fast, Flexible, Fixed-Rate Financing for Smaller Loans

Through our Conventional Small fixed-rate loans, you get a flexible financing solution and certainty of execution for the acquisition or refinance of multifamily housing properties with loans of \$10 million or less. Borrowers have a variety of options to suit their individual needs.

### The Freddie Mac Difference

When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our Optigo network of lenders to 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 Optigo lenders at [mf.freddiemac.com/borrowers/](https://mf.freddiemac.com/borrowers/).

### Product Snapshot

- Generally \$2 million to \$10 million
- Limited partnership, corporation, limited liability company or tenancy in common with limited single person entity requirements
- Predominantly market-rate properties of 50 units or less, standard defeasance, yield maintenance and step-down prepayment options available
- Supports eligible mixed-use properties

## Index Lock

Freddie Mac Multifamily's Index Lock allows borrowers to lock in the most volatile part of the coupon-- the Treasury index. To learn about other ways, you can get certainty of execution, see our [lock options](#) here.

## ► Conventional Small

Eligible Borrowers	<ul style="list-style-type: none"> <li>Borrower may be a limited partnership, corporation, limited liability company or a tenancy in common with 5 or fewer tenants in common</li> <li>General partnerships, limited liability partnerships, real estate investment trusts (REITs) and certain trusts may also be acceptable in limited circumstances, subject to additional requirements</li> <li>Borrower must be a Single Purpose Entity (see the <a href="#">Single Purpose Entity Borrower Rider to Loan Agreement</a> (Loans \$20,000,000 and Under) for basic SPE requirements)</li> </ul>
Eligible Properties	Standard multifamily housing, with exclusions for student properties, seniors housing, manufactured housing communities, and cooperative housing. Loans may be used for acquisition or refinance. Hard subordinate debt is not permitted
Ineligible Characteristics <sup>1</sup>	Fractured condos, vertical condos, Delaware Statutory Trusts (DSTs), ground leases, scattered site, home-sharing, co-living, micro-units (limited to 5%), septic and well water/non-public utilities
Terms	5, 7, 10, 12 or 15-year terms.
Amount	Generally, \$2 million to \$10 million
Maximum Amortization	30 years
Amortization Calculations	Actual/360 standard; 30/360 available
Lock-out Period	2 years following securitization
Prepayment Provisions	Standard prepayment provision is 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. Step-down and yield maintenance without defeasance are available at an additional cost
Tax and Insurance Escrow	Generally required
Replacement Reserve Deposit	Generally required
Recourse Requirements	Non-recourse except for standard carve-out provisions
Loan Documents	Standard loan documents required, without modifications
Supplemental Loan Availability	Yes, subject to requirements specified in the Loan Agreement
Application Fee	0.1% of loan amount

<sup>1</sup> Freddie Mac, in its sole discretion, sets credit parameters for any transaction based on its underwriting criteria at the time of such request. Freddie Mac may decline to issue a quote for any transaction that it deems to include features or characteristics that are non-standard or otherwise deviate from Freddie Mac policy for other loans of this type originated by Freddie Mac.

Lock Options	Spread lock for 60 days post-loan application. <a href="#">Index Lock</a> option may be available for sponsors and properties that qualify. Optigo lenders should consult with their regional Freddie Mac representative to determine eligibility
Refinance Test	No <a href="#">Refinance Test</a> 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 60% or less

## LTV Ratios and Amortizing<sup>2</sup> DCR

Conventional Small Maximum LTV and Minimum DCR <sup>3</sup>	Payment Type (For specific product adjustments, refer to individual term sheets)			
	Amortizing and Partial Interest Only <sup>4</sup>		Full-Term Interest-Only	
	Minimum Amortizing DCR	Maximum LTV <sup>4</sup>	Minimum Amortizing DCR	Maximum LTV <sup>5</sup>
≥ 5-Year and < 7-Year Term	1.25x	75%	1.25x	65%
7-Year Term	1.25x	80%	1.25x	65%
> 7-Year Term	1.25x	80%	1.25x	70%

<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> Adjustments may be made depending on the property, product and/or market.

<sup>4</sup> For partial-term interest-only loans, there must be a minimum amortization period of 2 years. All mortgages with <2 years of Amortization must meet the requirement for full-term Interest Only Mortgages.

<sup>5</sup> Maximum combined maturity LTV for Partial Interest Only loans is 70%, and subject to adjustment for certain property and loan types.

## For More Information

Contact your Freddie Mac representative.