

## Optigo® Long-Term Financing



Freddie Mac Multifamily created the Long-Term Financing (LTF) facility to originate larger pools for sponsors with ongoing collateral addition and funding needs.

Our LTF is a portfolio management solution that enables experienced sponsors to originate fixed- and floating-rate loans over time — with various maturities and prepayment structures. Sponsors set up the facility with a pool of properties and then can add, release or substitute properties and originate additional loans that meet the facility parameters.

The facility is cross-collateralized and cross-defaulted, and all the properties support all the loans, permitting flexibility when releasing a property. The cross also permits additional loans to be funded based on improvements to pool DSCR and LTV. All loans are spot priced at the time they are requested.

### The Freddie Mac Difference

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

### Product Snapshot

- Facility term of up to 15 years with no new financings permitted during the last 5 years of facility
- Varying loan maturities, prepayment terms, and fixed- or floating-rate loan components available within one facility — to provide financing flexibility
- Add, release and substitute properties for portfolio management
- Cross-collateralized and cross-defaulted
- Borrow up with spot pricing through additional loans supported by pool-level credit parameters
- Mission-driven business preferred but not required

## ► Conventional and Targeted Affordable: Long-Term Financing

Standard Terms	
Eligible Borrowers	<ul style="list-style-type: none"> <li>• Focus on Select Sponsors and top-tier multifamily operators</li> <li>• Each LTF can only have one sponsor</li> </ul>
Eligible Properties	<ul style="list-style-type: none"> <li>• Conventional multifamily housing</li> <li>• Targeted Affordable Housing</li> <li>• Loans may be used for acquisition or refinance</li> </ul>
Amount	<ul style="list-style-type: none"> <li>• \$300 million minimum at facility origination</li> <li>• \$10 million minimum loan amount</li> <li>• Maximum Commitment amount to be determined at origination of facility</li> </ul>
Facility/Loan Terms	<ul style="list-style-type: none"> <li>• Maximum facility term of 15 years</li> <li>• Laddered maturities up to maximum term</li> <li>• Full- or partial-term interest-only available</li> </ul>
Prepayment Provisions	<ul style="list-style-type: none"> <li>• Fixed Rate – Yield Maintenance or other prepay structures</li> <li>• Floating Rate – 1-year lockout, 1% thereafter</li> </ul>
Asset Additions	<ul style="list-style-type: none"> <li>• When the individual asset is underwritten and added, the asset must comply with the pool-level DSCR / LTV at origination</li> <li>• Individual assets must meet 1.25x DSCR and 80% LTV</li> </ul>
Asset Substitutions	<ul style="list-style-type: none"> <li>• Replacement asset(s) must meet asset quality parameters and be comparable with substituted asset(s)</li> <li>• Substitutions are allowed up to twice per year and are not available in the first year or last year before maturity</li> </ul>
Additional Proceeds	Additional proceeds must meet the pool-level DSCR / LTV requirement.
Asset Releases	<ul style="list-style-type: none"> <li>• Must meet pool-level DSCR / LTV requirements</li> <li>• Property releases are accompanied by applicable prepayment penalty</li> </ul>
Tax, Insurance, Replacement Reserve Deposit	Generally required
Recourse Requirements	Non-recourse except for standard carve-out provisions
Lock Options	Standard Delivery. <a href="#">Index Lock</a> option is also available for fixed rate

### **For More Information**

Contact your Facility Transactions representative:

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