



Seniors Housing Securitization Program Overview

Investor Presentation

As of December 31, 2024





We focus on assisted living, independent living and memory care properties across the country

- A specialty network of Optigo[®] lenders with **extensive experience** in the seniors housing market sources assisted living, independent living and memory care properties across the United States
- Between 1998 and 2024, Freddie Mac purchased over **\$31 billion** of loans in support of over **1,900 seniors housing facilities**
- Since June 2009, Freddie Mac has included Seniors Housing Loans in K-Deal[®] pools and Multi PCs[®]. Nearly **\$23 billion** of Seniors Housing Loans have been securitized
- Our Seniors Housing program covers assisted living, independent living and memory care properties, including a limited percentage of skilled nursing units per property
- A staff of **10 Freddie Mac Multifamily real estate professionals** are primarily focused on the seniors housing sector

Our credit policy and consistent underwriting practices are key drivers of the strong performance of our offerings



- Experienced, successful Seniors Housing operators and owners are prerequisites for Freddie Mac Seniors Housing Loans. Our experience and network enables us to identify and capture transactions with strong operational and ownership dynamics
- Borrowers with a mix of unit types in licensed communities are generally able to shift up to 25% of the total number of units at a property to a higher acuity level than the acuity levels in place at loan closing, and up to 10% of the total number of units to a lower acuity level, without lender approval



- Skilled nursing is programmatically limited to 20% of net operating income (NOI), however less than 1% of loans are secured by properties that have skilled nursing units
- Without prior written consent, borrowers cannot provide, or contract to provide, additional skilled nursing that is not present at closing



- The acceptance of funds from governmental sources, such as Medicaid or Medicare, for more than 5% of residents must be approved by Freddie Mac and requires a 1.10x debt coverage stressed analysis if greater than 25% of total income
- Any property consisting of licensed assisted living or skilled nursing units is reviewed by a third-party consultant to evaluate its risk management practices. The assessment focuses on:
 - Employee and management practices
 - Compliance with appropriate state and federal regulations
 - Verification of certain policies and procedures for resident practices
 - Incident investigations and claims management procedures

Our Credit Philosophy



Freddie Mac makes all credit, structuring and pricing decisions working with our lenders during all aspects of the mortgage production process. We are focused on:

- Sustainable cash flow
- Market knowledge & fundamentals
- Equity
- Definable exit strategy
- Sponsorship
- Investment quality real estate collateral



Underwriting teams are situated throughout the country to provide local market expertise

Our Credit Approval Process



Our Seniors Housing team sources its loans from a select group of experienced Optigo lenders

The small size of the network promotes quality originations and a high level of service to lenders and borrowers.

[Seniors Housing lenders](#) must meet Freddie Mac's standards for both origination and servicing of Seniors Housing Loans, which includes dedicated Seniors Housing finance professionals, meeting minimum financial requirements and obtaining satisfactory annual audits.

Seniors Housing Lenders

- Arbor Agency Lending LLC
- Berkadia Commercial Mortgage LLC
- BWE
- Capital One N.A.
- CBRE Capital Markets Inc.
- Grandbridge Real Estate Capital LLC
- Greystone Servicing Company LLC
- JLL Real Estate Capital, LLC
- KeyBank, N.A.
- Lument Capital
- M&T Realty Capital Corporation
- Newmark
- NewPoint Real Estate Capital LLC
- Northmarq Capital, LLC
- PGIM Real Estate
- PNC Bank, N.A.
- Walker & Dunlop LLC
- Wells Fargo Bank, N.A.

Mortgage Guidelines for Freddie Mac's Seniors Housing offerings

Property Type

- Seniors-focused multifamily loans secured by occupied, stabilized or newly completed properties in lease-up
- Independent living facilities defined as properties that include optional services designed to aid the residents' independence; some level of meal plans are provided
- Assisted living facilities defined as properties designed to provide oversight and assistance for residents with functional limitations, including all meals; assisted living and independent living facilities may include a memory care component within the tenant mix
- The properties may include a limited number of skilled nursing units (required to generate no more than 20% of a property's net income); at least 15% of the skilled nursing units must be allocated for residents of other types of units at the property

Loan Terms

- 5-, 7-, 10-, 12- and 15-year loan terms with a maximum amortization of 30 years
- May contain partial interest-only (IO) periods of 1-8 years
- Limited exposure to full-term IO loans
- Full-term IO loans require higher initial amortizing debt service coverage ratio (DSCR)
- Mortgages are fixed rate or floating rate
- Floating-rate mortgages quoted beginning on September 1, 2020 are based on 30-day Average SOFR, generally require a third-party SOFR cap and are sized using an equivalent fixed rate
- Seniors Housing Loan pools are often cross defaulted/cross-collateralized

Borrowers

- A single-purpose entity (SPE) borrower is required for almost all loans greater than or equal to \$5 million
- A warm body or entity carveout guarantor is generally required
- Entity guarantors generally require financial covenants or a material adverse change clause
- All borrower/sponsors have owner and operator experience on at least five profitable seniors housing properties prior to application and at least 10 years of seniors housing experience

Mortgage Guidelines (continued)

Underwriting

- Effective gross income (EGI) is calculated based on trailing three-months actual rent collections or the annualized current rent roll minus a minimum 5% vacancy rate, subject to submarket data and actual rent collections
- Operating expenses are generally calculated based on trailing 12 months
- Real estate taxes and insurance are based on actual annual expenses
- Property values are based on third-party appraisals and internal value confirmation
- Replacement reserves are typically required and are generally equal to the greater of an engineer's recommendation or \$250/unit for independent living and \$300/unit for assisted living
- Real estate tax escrows are generally required, and insurance escrows are mostly deferred as the general and professional liability policies cover multiple properties; third-party reports are required (e.g., Phase I ESA, property condition, liability assessments, etc.)
- Third-party interest rate caps that expire prior to related mortgage maturity dates are required to be replaced. Replacement cap funds are escrowed at 125% of replacement cost and are recalculated on either an annual or semiannual basis

Supplemental Financing

- Eligible one year after origination of the first mortgage; purchased by Freddie Mac from original lender under Freddie Mac's supplemental loan offering
- Minimum 3% NOI growth achieved from EGI growth is generally required to support the approval of supplement financing
- For fixed-rate loans, minimum combined DSCR of 1.30x for independent living properties and 1.40x for assisted living properties (amortizing)
- For floating-rate loans, DSCRs of 1.15x for independent living and 1.25x for assisted living properties based on max note rate
- Monthly escrows for taxes, insurance and replacement required. If first mortgage allowed for deferral of escrows, the supplemental will trigger collection if paid or escrowed by borrower
- Subject to a pre-approved intercreditor agreement

LTV Ratio and DSCR

- Shorter loan terms, markets of concern and specialty product types typically require adjustments
- All loans require a Refinance Test, unless the loan has a loan-to-value (LTV) ratio of 55% or less and an amortizing DSCR of: for independent living: $\geq 1.45x$, assisted living: $\geq 1.55x$, assisted living with skilled nursing beds: $\geq 1.60x$, all partial-term IO loans must pass the Refinance Test

Mortgage Guidelines – LTV Ratios and Amortizing DSCRs

Independent Living Conventional Maximum LTV /Minimum DSCR	Fixed-Rate and Floating-Rate ¹ LTV/DSCR ²		
	Amortizing	Partial-Term Interest-Only ³	Full-Term Interest-Only
≥ 5-Year and < 7-Year Term	70% / 1.30x	70% / 1.30x	60% / 1.40x
≥ 7-Year Term	75% / 1.30x	75% / 1.30x	65% / 1.40x

Standalone Memory Care (100% MC Units) Conventional Maximum LTV/ Minimum DSCR	Fixed-Rate and Floating-Rate ¹ LTV/DSCR ²		
	Amortizing	Partial-Term Interest-Only ³	Full-Term Interest-Only
≥ 5-Year and < 7-Year Term	60% / 1.60x	60% / 1.60x	55% / 1.70x
≥ 7-Year Term	65% / 1.60x	65% / 1.60x	55% / 1.70x

Assisted Living (>=50% Assisted Living Units) Conventional Maximum LTV/ Minimum DSCR	Fixed-Rate and Floating-Rate ¹ LTV/DSCR ²		
	Amortizing	Partial-Term Interest-Only ³	Full-Term Interest-Only
≥ 5-Year and < 7-Year Term	70% / 1.40x	70% / 1.40x	60% / 1.50x
≥ 7-Year Term	75% / 1.40x	75% / 1.40x	65% / 1.50x

Skilled Nursing (Max 20% of NOI ⁴) Conventional Maximum LTV/ Minimum DSCR	Fixed-Rate and Floating-Rate ¹ LTV/DSCR ²		
	Amortizing	Partial-Term Interest-Only ³	Full-Term Interest-Only
≥ 5-Year and < 7-Year Term	70% / 1.45x	70% / 1.45x	60% / 1.55x
≥ 7-Year Term	75% / 1.45x	75% / 1.45x	65% / 1.55x

¹ Floating-rate proceeds are calculated based on the equivalent fixed-note rate

² The DSCR calculated for the partial-term IO and full-term IO period uses an amortizing payment

³ For partial-term IO loans with maturing UPB equal to or less than 65% of the origination value, there must be a minimum amortization period of two years

⁴ Skilled nursing cannot exceed a maximum of 20% of the overall property NOI

Seniors Housing Loans include independent living properties, assisted living properties and properties with memory care

For a full definition of these loans and additional terms, view the Freddie Mac [Multifamily Seller/Service Guide](#).

Assisted Living

Properties where at least 50% of the dwelling units must be for assisted living residents, which generally requires state licensing. They are designed to accommodate and provide 24-hour assistance for individuals with functional limitations. In addition to these services, some Assisted Living Residences provide specialized, secured environments and assistance to residents suffering from Alzheimer's or other dementia or cognitive impairment illnesses

Independent Living

Properties where more than 50% of the dwelling units must be for independent living residents. They are multi-unit housing residences that offer optional services designed to aid the residents' independence and include living units with full kitchens and bathrooms. Apartments are decorated and furnished by the resident. Most properties also include extensive common areas, commercial kitchen, central dining room and activity areas

Additional Resources

Contact our [Seniors Production & Underwriting Team](#)

[Seniors Housing Loan Term Sheet](#)

K-Deal Performance – Seniors Housing

- 66 Senior Housing Loans are in special servicing/real estate owned (REO) with an outstanding balance of \$509 million. Two sponsors account for 50 of such loans (\$298 million) and account for 58% of the special servicing/REO unpaid principal balance (UPB)
- Throughout the history of the program, since K-003 in 2009, only six Seniors Housing Loans have resulted in a loss, totaling \$29 million and approximately 22 bps of outstanding principal
- \$9 billion (533 loans) have paid off. The current outstanding balance is \$13 billion (554 loans)
- As measured by outstanding principal balance, 12% of the unpaid Seniors Housing Loan population is on the High Risk Watchlist¹

K-Deal – Seniors Housing Performance as of Q4 2024

Property Type	Number of Loans	Outstanding UPB (\$ millions)	Number of Delinquent Loans ≥ 60 Days	UPB of Delinquent Loans ≥ 60 Days (\$ millions)
Assisted Living	348	\$6,992	59	\$295
Independent Living	206	\$6,092	1	\$21
Total	554	\$13,085	60	\$315

K-Deal – High Risk Watchlist

Property Type	Number of Loans	UPB (\$ millions)
Assisted Living	45	\$1,049
Independent Living	25	\$516
Total	70	\$1,564

K-Deal – Overall Watchlist

Property Type	Number of Loans	UPB (\$ millions)
Assisted Living	115	\$2,430
Independent Living	62	\$1,390
Total	177	\$3,820

Notes: The data above provides performance information for the loans contributed to K-Deals since 2009 through December 31, 2024

¹ The respective servicers maintain a watchlist for each securitization. Loans are added and removed from the watchlist in accordance with criteria established by CREFC. Watchlist data trails actual performance by 6-12 months. High Risk watchlist generally includes loans with property occupancies less than or equal to 75% and/or DSCRs less than or equal to 0.90x

Loan Performance Resources at Your Fingertips



Performance Data

for Seniors Housing deals is updated monthly in our [K-Deal Performance Report](#)



Loan-Level Performance

can be found at our [Multifamily Securities Access tool](#)




Historical Information

on certain Multifamily whole loans and securitized loans is available in the [Multifamily Loan Performance Database](#)

Stay up to date with our investor resources and reports

- Multifamily Issuance Calendar - https://mf.freddie.mac/docs/mf_issuance_calendar.pdf
- Performance of the Seniors Housing Market Report - https://mf.freddie.mac/docs/2023_performance_of_the_seniors_housing_market.pdf
- Seniors Housing Program Handout - https://mf.freddie.mac/docs/seniors_housing_program_handout.pdf
- K-Deal Performance Data - https://mf.freddie.mac/docs/k_deal_performance_presentation.pdf
- Security Lookup Tool - <https://mf.freddie.mac/investors/performance-lookup>
- Multifamily Securities Pricing - <https://mf.freddie.mac/investors/multifamily-securities-pricing>



Multifamily Certificates

Q1 2025 Announcement Calendar

January		February		March		Calendar Key	
M	Tu	We	Th	F	Sa	Su	
		1	2	3	4	5	Optional Announcement Week
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
20	21	22	23	24	25	26	U.S. Holiday
27	28	29	30	31			

Deal Name	Announcement Week of	Freddie Mac Program	Bond Rate Type	Collateral Rate Type	Collateral Load Term	Projected Issuance Size (\$ millions)	Preplacement Size (\$ millions)
K-538	March 31, 2025	Conventional	Fixed and Floating	Fixed	5-year	748	N/A
K-516	March 31, 2025	Seniors	Fixed	Fixed	7-year	299	N/A
Q-032	March 24, 2025	Third-Party	Floating	Floating	Various	494	N/A
WIK170	March 17, 2025	When Issued (A2 & AM Classes)	Fixed	Fixed	10-year	TBD	N/A
K-F165	March 17, 2025	Conventional	Floating	Floating	Various	801	N/A
SB-119	March 17, 2025	Small Balance	Fixed	Fixed	Various	281	N/A
K-537	March 10, 2025	Conventional	Fixed and Floating	Fixed	5-year	738	N/A
K-760	March 3, 2025	Conventional	Fixed	Fixed	7-year	917	N/A

*100% guaranteed transaction
 †Features subject to underwrite review. See [2025 Issuance Calendar](#)
 ‡Features subject to deal and program review. See [2025 Issuance Calendar](#)
 §Information subject to deal and program review. See [2025 Issuance Calendar](#)
 ¶Information subject to deal and program review. See [2025 Issuance Calendar](#)
 ††Information contained in the 2025 Certificates Announcement Calendar does not guarantee the timing of any future Freddie Mac offerings or the amount of each offering. This calendar may be amended, supplemented or revised. This calendar is for informational purposes only and is not an offer of securities.
 For more information on Freddie Mac Multifamily securities, visit [mf.freddie.mac](#) or email MF_CM_InvestorRelations@freddie.com
 February 14, 2025



For additional information, please contact: MF_CM_InvestorRelations@freddie.com or visit our website at mf.freddie.com

K-S15 | Transaction Highlights

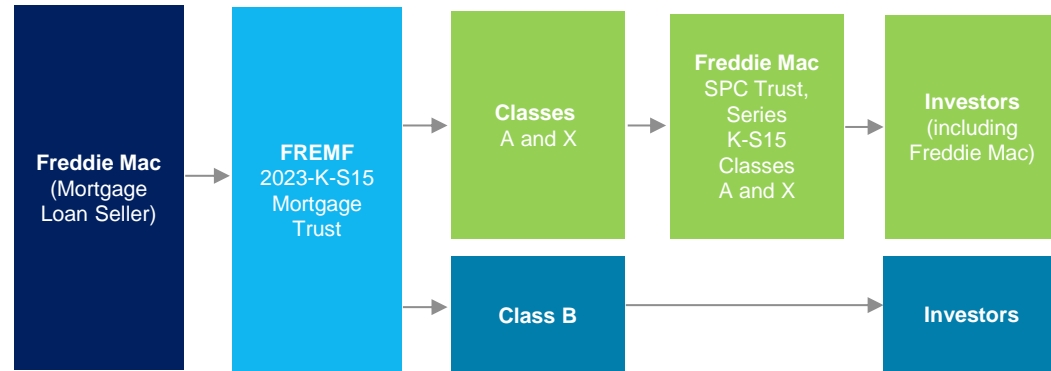
Overview of Deal Structure (Pricing Date: October 5, 2023)

Class	Initial Principal or Notional Amount	Pricing Spread	Assumed Weighted Average Life
Offered K-S15 Certificates:			
A	\$394,812,000	J+90	9.87
X	\$394,812,000	Auctioned	9.87
Total Guaranteed	\$394,812,000		

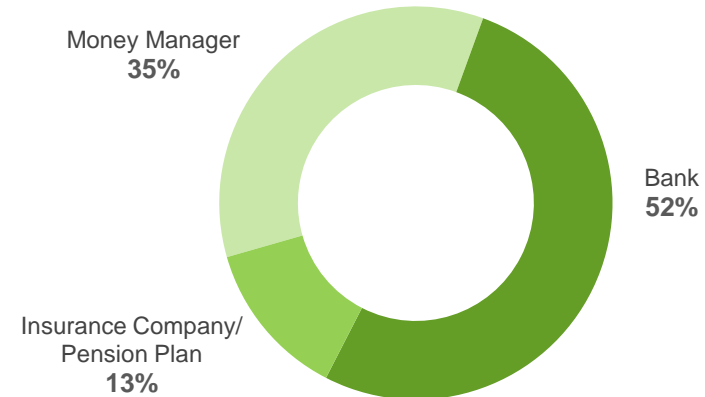
Deal Characteristics¹

Collateral Type	Multifamily Seniors Housing Mortgage Loans
Collateral Structure Type	Balloon
Mortgage Loans	19
Initial Underlying Pool Balance	\$426,824,000
Rating Agencies	Not Rated
Waterfall Structure	Sequential
Top 5 State Concentrations	CA (24.1%), CO (11.5%), PA (11.2%), TX (10.8%), NH (10.8%)
WA Initial Fixed Mortgage Interest Rate	5.91%
WA Original Maturity	120
WA DSCR	1.86x

Structural Diagram



Breakdown of Investors (Class A)²



¹ As of the Cut-off Date

This product overview may contain forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, some of which are beyond the company's control. Management's expectations for the company's future necessarily involve several assumptions, judgments and estimates, and various factors could cause actual results to differ materially from the expectations expressed in these and other forward-looking statements. These assumptions, judgments, estimates and factors are discussed in the company's most recent Annual Report on Form 10-K, and its reports on Form 10-Q and Form 8-K, which are available on the Investor Relations page of the company's website at mf.freddiemac.com/investors/ and the SEC's website at www.sec.gov. The company undertakes no obligation to update forward-looking statements it makes to reflect events or circumstances occurring after the date of this presentation.

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