Choose the Rehab Loan That Fits!

Whether you’re looking at a modest upgrade or a more significant rehabilitation for your multifamily property, we have the loan product that meets your needs. See our side-by-side comparison of loan features and terms.

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| **Loan Terms**            | Three years with one 12-month extension based on the borrower’s request and one optional 12-month extension based on Freddie Mac’s discretion | Interim Phase: Between 2 and 3 years  
Permanent Phase: 7 or 10 years  
Typically, Interest-Only (IO) during the Interim Phase with ongoing renovations, and 2-3 years IO during the Permanent Phase  
Uncapped during the Interim Phase; cap required post-renovation during the Permanent Phase, if rate is not fixed |
| **Loan Proceeds/ Sizing** | Maximum loan-to-purchase/loan-to-value (LTV): up to 85%  
Debt coverage ratio (DCR): 1.10x – 1.15x (depending on market)  
Refinance Test not required | Up to 80% as-is value/acquisition price  
Min 1.20x IO DCR based on As-Is Net Operating Income (NOI) and initial funding at origination (amortizing if applicable)  
Total draws limited to 80% of total Renovation Costs  
Appraisal must support 80% As-If Stabilized Today LTV based on fully funded UPB – initial funding plus draws  
Refinance Test required based on stabilized pro forma and Full Proceeds per underwriting analysis |
| **Rehabilitation**        | $10,000 – $25,000 per unit  
Completion guaranty or rehabilitation escrow required | $25,000 – $60,000 per unit with minimum $7,500 per unit in interior work  
No reserve/escrow required  
Freddie Mac reimburses for Rehab up to 80% of renovation costs |
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| **Eligible Property Types** | Properties with no more than 500 total in strong rental markets  
Well-constructed properties requiring modest repairs  
Market laggards that require capital infusion and new/improved management  
REO properties in receivership that are capable of improved performance  
Seniors housing, student housing and manufactured housing communities are not eligible | Properties with no more than 500 total units in strong rental markets |
| **Eligible Sponsors** | Developers/operators with experience in multifamily property rehabilitation and in the local market with sufficient financial capacity | Experience, well-capitalized and have successfully completed at least three similar Moderate Rehab projects  
Sponsors subject to management approval |
| **Rehab Period** | Rehabilitation must commence within 90 days of loan origination and be completed within 33 months | Renovation must commence as soon as possible post-origination and must be completed within 3 months of conversion to the Permanent Phase (around 33 months assuming a 3-year Interim Phase) |
| **Occupancy Rate during Rehab** | Break-even occupancy is targeted | Renovation plan may not take DCR below 1.0x on an IO basis (or amortizing if Interim Phase is amortizing) |

For more information, contact your Freddie Mac Multifamily representative.