



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.

| Requirements and Options | Value-Add Loan | Moderate Rehab Loan |
|------------------------------|--|--|
| Loan Terms | <ul style="list-style-type: none"> 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 Floating-rate loan with full-term Interest-Only (IO); no cap required | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> \$10,000 – \$25,000 per unit Completion guaranty or rehabilitation escrow required | <ul style="list-style-type: none"> \$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 | <ul style="list-style-type: none"> ■ 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 | <ul style="list-style-type: none"> ■ Properties with no more than 500 total units in strong rental markets |
| Eligible Sponsors | <ul style="list-style-type: none"> ■ Developers/operators with experience in multifamily property rehabilitation and in the local market with sufficient financial capacity | <ul style="list-style-type: none"> ■ Experience, well-capitalized and have successfully completed at least three similar Moderate Rehab projects ■ Sponsors subject to management approval |
| Rehab Period | <ul style="list-style-type: none"> ■ Rehabilitation must commence within 90 days of loan origination and be completed within 33 months | <ul style="list-style-type: none"> ■ 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 | <ul style="list-style-type: none"> ■ Break-even occupancy is targeted | <ul style="list-style-type: none"> ■ 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.