

Optigo® Tax-Exempt Loan



Cost-Effective Tax-Exempt Financing

Our Tax-Exempt Loans (TELs) help borrowers save time and money when they buy or refinance affordable multifamily properties financed with tax-exempt debt.

Our streamlined TEL process means fewer documents, fewer participants and less expense than traditional bond credit enhancements.

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 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/.

Product Snapshot

- Great alternative to tax-exempt bond credit enhancements with 4% Low-Income Housing Tax Credits (LIHTCs)
- Immediate funding and forwards
- Interest-only options
- We launched TEL more than a decade ago and have financed TEL deals in 44 states and D.C.
- We support eligible mixed-use properties

Green Advantage®

Our Freddie Mac Multifamily Green Advantage initiative rewards borrowers who improve their properties to save energy or water.

► Target Affordable: Tax-Exempt Loan

Product Description	Financing for the acquisition or refinance of stabilized affordable multifamily properties with 4% Low-Income Housing Tax Credits (LIHTC) with at least 7 years remaining in the tax-credit benefit stream. Could also include HUD Risk Share.
Eligible Property Types	Garden, mid-rise or high-rise multifamily properties with 4% LIHTC with 90% occupancy for 90 days
Term	Up to 30 years
Type of Funding	Immediate fixed-rate ¹ financing; forward fixed-rate financing
Minimum Debt Coverage Ratio (DCR) ²	1.15x ²
Collateral	First-lien mortgages of conventional, seniors housing or student housing properties
Maximum Loan-to-Value (LTV) Ratio ¹	85% of adjusted value or 90% of market value ^{3, 4}
Minimum Forward Commitment Term	Up to 36 months
Maximum Amortization	40 years
Subordinate Financing	Permitted; supplemental loans are available ⁵
Tax and Insurance Escrows	Required
Fees	Application fee, commitment fee, plus other fees as applicable
Pricing	Transactions will be priced at a spread to 10-year Treasuries
Securitization	Yes, using our M-Deals®, ML-Deals® and Multi PCs®
Yield Maintenance	Minimum 10 years' prepayment protection

¹ Contact your Freddie Mac rep about floating-rate options.

² May include bond refunding, substitution or new issue transactions with 80-20 bonds, combination bonds, Section 8, Section 236, tax abatements, LIHTC and HUD Risk Share.

³ Adjustments may be made depending on the property, product and/or market.

⁴ Based on Appraised As-Stabilized Value

⁵ Includes USDA section 515 loans.

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For More Information

Contact your Targeted Affordable Housing representative.