Fixed Liquidity Option (FLO)
New Variable Rate Alternative

For tax-exempt bondholders and developers (Sponsors) in the multifamily affordable housing market, we provide liquidity via the efficiencies of our Tax-Exempt Bond Securitization (TEBS) platform. Through our Fixed Liquidity Option (FLO), the Sponsors can achieve variable-rate exposure that is diversified away from traditional liquidity support, which may help achieve lower all-in funding costs.

The Freddie Mac Difference
When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our Optigo network of Seller/Servicers 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 Seller/Servicers at mf.freddiemac.com/borrowers/

- 10-year liquidity facility with fixed liquidity fee
- Weekly reset and tender option any time within five business days
- Step-up rate applies if remarketing extends beyond five business days
- Various options to cure a failed remarketing including optional redemption by Freddie Mac
- Freddie Mac funds par price to investors if failed remarketing extends beyond 1 year
- Eligible: Tax-Exempt Bond Securitization (TEBS) transactions
<table>
<thead>
<tr>
<th>Eligible Transactions</th>
<th>Tax-Exempt Bond Securitization (TEBS) transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upfront Liquidity</strong></td>
<td><strong>Fee to Sponsor</strong> 50 bps</td>
</tr>
<tr>
<td><strong>Ongoing Liquidity</strong></td>
<td><strong>Fee to Sponsor</strong> 45 bps</td>
</tr>
<tr>
<td><strong>Liquidity Contract Duration</strong></td>
<td>10 years</td>
</tr>
<tr>
<td><strong>Sponsor Hedging Required?</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Class A Interest Rate</strong></td>
<td><strong>Reset Frequency</strong> Weekly; see “How It Works” section below</td>
</tr>
<tr>
<td><strong>Expected Class A Pricing</strong></td>
<td><strong>SIFMA + Spread</strong></td>
</tr>
</tbody>
</table>

**SIFMA**

A 7-day high-grade municipal market index comprising average weekly reset rates on tax-exempt variable rate demand obligations that are reported to the Municipal Securities Rule Making Board’s SHORT reporting system and which meet the index criteria as set forth by SIFMA.

The index is calculated on an actual/actual basis and is published every Wednesday by 4 p.m. ET.

**Class A Rating**

Based on guaranty from Freddie Mac

**Failed Remarketing**

Considered failed in the event the Remarketing Agent is unable to successfully remarket any tendered certificates within five business days of the tender notice

**Step-Up Rate**

Determined on a per transaction basis equal to the rate that produces the total amount of interest received on the underlying assets net of fees embedded in the securitization and starves the Class B of all interest

**Step-Up Rate Period Upon Failed Remarketing**

1 year
How it Works

Week 1: Rate Reset Effective Thursday through Wednesday next week

Remarketing agent sets the interest rate for the Class A TEBS Certificates on a weekly basis to achieve par pricing

+5 Business days: Tender Option Exercised

Holders may tender their Class A Certificates for repurchase at any time upon five business days’ notice. Step-up rate applies if tendered Class A Certificates cannot be remarketed within five business days

<1 Year Following the Notice of Tender

If remarketing continues to be unsuccessful, a number of cure options may be used:

• Continuous remarketing efforts by the Remarketing Agent
• Optional redemption of tendered Class A Certificates by Freddie Mac
• Optional redemption of tendered Class A Certificates by TEBS Sponsor
• Change of interest rate mode on Class A Certificates

A successful remarketing within 1 year returns the issue to its original weekly reset mode

>1 Year Following the Notice of Tender

If tendered Class A Certificates are not remarketed for more than 1 year, Freddie Mac will fund the par purchase price of the Certificates, which will constitute a loan to the securitization trust Sponsor.

For More Information

Please contact your Freddie Mac TAH relationship manager for more information.