Flexible Tax-Exempt Loan (Float-to-Fixed)

Our Tax-Exempt Loan Just Got More Flexible

Flex TEL has made our Tax-Exempt Loan a whole lot more flexible to meet the needs of borrowers.
A floating-rate loan — for up to three years before converting to fixed — provides lower debt service payments and the flexibility to meet unforeseen expenses that often crop up when you renovate. We increase a borrower’s cash flow, without changing the size of the loan.

The Freddie Mac Difference
When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our Optigo® lender network 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/

- A floating-rate loan during the initial rehab period for up to 3 years before converting to fixed
- Flexible to meet the needs of borrowers
- Doesn’t create additional loan proceeds or change loan size
- We’re growing with our Tax-Exempt Loan products: 167 loans to date, $2.5 billion and counting, in 27 states and D.C.
- A deal with new 4% Low-Income Housing Tax Credits may be underwritten to a minimum of 1.15x DCR
- We support eligible mixed-use properties

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

mf.freddiemac.com/product/
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<th>Eligible Borrowers</th>
<th>Well-qualified Targeted Affordable Housing approved Borrowers</th>
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| **How It Works**         | ■ Floating-rate period: up to three years. Interest-only, locked-out/no prepayments. No supplemental loans during floating-rate period  
  ■ Floating-rate loan is hedged with a third-party cap  
  ■ After the rehab period, the interest rate on the tax-exempt loan would convert to a fixed rate for the remaining term of the loan (maximum total loan term up to 18 years), at which point the loan would begin to amortize  
  ■ A 10-year prepayment lock-out period begins when the TEL converts to the fixed rate  
  ■ The TEL would be sized based on the fixed rate, using the existing TEL credit parameters, and the floating-rate period would not create additional loan proceeds  
  ■ Refinance Test based on the fixed rate |
| **Delivery Options**     | Standard delivery only; no early rate-locks or spread locks |

For More Information

Contact your Targeted Affordable Housing representative.