



PRODUCT SNAPSHOT

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 Sellers 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 approved Seller/Service providers at:
<https://mf.freddiemac.com/borrowers/>

- A floating-rate loan (SIFMA- or LIBOR-based) 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 debt coverage ratio (DCR)
- We support eligible mixed-use properties

Freddie Mac Multifamily
Green Advantage[®]

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



<https://mf.freddiemac.com/product/>

Flexible Tax-Exempt Loan (Float-to-Fixed) ▶ Targeted Affordable

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|---------------------------|---|
| Eligible Borrowers | Well-qualified Targeted Affordable Housing-approved borrowers |
| How It Works | <ul style="list-style-type: none"> ▪ 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 REPRESENTATIVE

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|----------------------|---|--|
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The information in this document is not a replacement or substitute for information found in the *Freddie Mac Multifamily Seller/Service Guide*. Terms set forth herein are subject to change without notice.

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