



PRODUCT SNAPSHOT

## Impact Loans

### Double Bottom Line Financing

Our Impact loans are ideal for Borrowers who want to provide a private sector approach to solve the workforce housing crisis in our nation. Borrowers make a positive impact in their communities by preserving rents through voluntary restrictions to support low-income and working families over the life of the loan.

Freddie Mac is here to support your mission by creating a unique structure to meet your needs over a one-year period and pre-negotiate favorable pricing and terms in exchange for keeping a majority of the rents affordable at the properties.

The Borrower will enter into a Master Financing Commitment with Freddie Mac to pre-negotiate terms for the loans originated under the commitment, resulting in a flexible, reliable and fast financing strategy.

#### The Freddie Mac Difference

When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our Optigo<sup>SM</sup> network of Seller/Service providers 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/Service providers at:  
[mf.freddiemac.com/borrowers/](http://mf.freddiemac.com/borrowers/)

- Terms are highly customizable and will vary based on strategy, sponsor and affordability
- Straightforward annual monitoring of rents ensures continued affordability
- Preset credit box that reflects the affordable nature of the units (ex., higher occupancy)
- Option to hold spreads with a preset menu of adders for various credit terms
- Option to aggregate loans over a one-year period and place into one securitization with the possibility of B-piece purchase for the Sponsor

Freddie Mac Multifamily  
**Green Advantage<sup>®</sup>**

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

<b>Product Description</b>	<ul style="list-style-type: none"> <li>Impact Loans offer favorable pricing and credit terms for Borrowers who agree to maintain workforce housing rent levels on a majority of units at a property over the term of the loan</li> <li>Properties must maintain at least 51 percent of the unit rents affordable to those making 80 percent Area Median Income (AMI), with adjustment for high cost areas</li> <li>Straightforward annual monitoring of rents ensures the units stay affordable to the nation's workforce</li> </ul>
<b>Commitment Size</b>	Minimum aggregate Commitment of \$150 million for loans originated during the commitment term
<b>Commitment Term</b>	12 months
<b>Loan Terms</b>	<ul style="list-style-type: none"> <li>Fixed- and floating-rate loans</li> <li>7-year minimum loan term</li> <li>Attractive proceeds sizing and interest-only term may be available</li> <li>Attractive pricing spreads will be offered, with the option to hold spread during the Commitment term, indexed to the K-deal A2 bond spread movement</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>Assets do not need to be identified when the Commitment is originated</li> <li>Each asset will be fully underwritten before addition to the Commitment; spread and availability of credit terms will be confirmed for each loan</li> </ul>
<b>PARC Requirements</b>	<ul style="list-style-type: none"> <li>Through the Preservation of Affordable Rent Covenant, Borrowers agree to limit rents on 51 percent of units in the property (Minimum Set-Aside Units) to workforce housing affordability levels</li> <li>Rent affordability will be calculated as no more than 30 percent of 80 percent AMI or below, after adjustment by Freddie Mac for number of bedrooms and tenant-paid utilities</li> <li>Adjustments for AMI levels for high cost areas may be considered</li> <li>Affordability of rents will be tested on an annual basis</li> <li>If a property is not in compliance with the affordability requirements, an annual noncompliance fee, paid monthly, of 50 bps will remain in effect for a minimum of 6 months and until the property has re-achieved compliance</li> </ul>
<b>Optional B-Piece Purchase</b>	Borrower has the option to aggregate loans over a one-year period and place into one securitization with the possibility of B-piece purchase for the Borrower, effectively lowering borrowing costs (minimum Commitment size of \$250 million)

**CONTACT YOUR REPRESENTATIVE**

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