



Preservation Rehabilitation Financing

Funds to Renovate Affordable Housing Properties

Is your borrower looking to renovate an affordable multifamily property? We provide financing for the moderate rehabilitation of affordable properties with new Low-Income Housing Tax Credits (LIHTCs).

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:

FreddieMac.com/multifamily/lenders

PRODUCT SNAPSHOT

This product can be used with:

- Bond credit enhancements with 4% LIHTC
- Tax-exempt loans with 4% LIHTC
- 9% LIHTC cash loans
- Rehab funding with tenants in place
- 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.



FreddieMac.com/multifamily/product/

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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	Tax-Exempt Financing with 4% LIHTC	9% LIHTC Cash Loan
Eligible Property Types	Garden, mid-rise, or high-rise multifamily properties with new 4% Low-Income Housing Tax Credit (LIHTC) undergoing moderate rehabilitation with tenants in place	Garden, mid-rise, or high-rise multifamily properties with new 9% LIHTC that are undergoing moderate rehabilitation with tenants in place
Terms	<p>Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less; 15 years with HUD Risk Sharing</p> <p>Maximum term: 35 years</p> <p>Rehabilitation/stabilization period (maximum of 24 months) will be included in loan term</p>	<p>Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing</p> <p>Maximum term: 35 years</p> <p>Rehabilitation/stabilization period (maximum of 24 months) will be included in loan term</p>
Product Description	Tax-exempt financing for the moderate rehabilitation of affordable multifamily properties with a new 4% LIHTC and tenants in place	Financing for the moderate rehabilitation of affordable multifamily properties with a new 9% LIHTC and tenants in place
Type of Funding	Tax-exempt financing for acquisition/rehabilitation based on projected post-rehabilitation net operating income (NOI); cash or letter of credit collateral required to fund gap between supportable debt on current NOI and bond mortgage loan amount (collateral held until stabilization); interest-only during the rehabilitation/stabilization period	Financing for acquisition/rehabilitation based on projected post-rehabilitation NOI; cash or letter of credit collateral required to fund gap between supportable debt on current NOI and loan amount (collateral held until stabilization); interest-only during the rehabilitation/stabilization period
Minimum Debt Coverage Ratio (DCR)¹	<ul style="list-style-type: none"> Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x 	New tax credits: 1.15x
Maximum Loan-to-Value (LTV) Ratio¹	<ul style="list-style-type: none"> Variable-rate with cap hedge: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted value or 90% of market value 	90% of market value
Maximum Amortization	35 years	35 years

**Prepayment
Provisions**

Fee maintenance

Yield maintenance

	Tax-Exempt Financing with 4% LIHTC	9% LIHTC Cash Loan
Subordinate Financing	Permitted	Permitted
Tax and Insurance Escrows	Required	Required
Fees	Application fee, commitment fee, plus other fees, as applicable	Application fee, commitment fee, plus other fees, as applicable

¹ Adjustments may be made depending on the property, product and/or market.

For More Information

Contact your Targeted Affordable Housing representative.

