



PRODUCT SNAPSHOT

Seasoned Loan Securitization

For Small Financial Institutions

Our “Q” series securitization provides liquidity to small financial institutions so they can continue to grow and support affordable housing via new lending.

The Freddie Mac Difference

When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our OptigoSM 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.

- Flexible securitization structure
- Small financial institutions can take seasoned loans off the balance sheet
- Freddie Mac underwrites the pool of seasoned loans and guarantees the payment of interest and principal on the securities



Loan Seller	Small financial institution or community bank with \$10 billion or less in assets
Pool Size	Optimal pool size of \$200 million or greater in aggregate UPB
Collateral	Small balance multifamily loans and multifamily mortgage loans secured by properties with 9% Low-Income Housing Tax Credits that were originated at least 12 months prior to the Q-deal closing date
Freddie Mac Guarantee	Freddie Mac guarantees the timely payment of interest and ultimate payment of principal on the guaranteed senior certificates.
Flexible Structure	Freddie Mac can offer both a 100% guaranty option and a 90% guaranty option of the senior certificates. For the 90% guaranty option, the 10% subordinated (non-guaranteed class) can be retained by the originating bank or sold to a third-party investor (B-piece buyer). Typical subordination level for a sequential pay structure is 10% (8%, 12%, 15% and 20% subordination levels may be available).
Reimbursement Obligation	<p>In Q-deal structures with a 100% guaranty, the Loan Seller enters into a reimbursement agreement with Freddie Mac and reimburses Freddie Mac for any amounts paid by Freddie Mac pursuant to its guarantee up to a certain percentage of the UPB of the pool.</p> <p>The reimbursement obligation of the Loan Seller may be secured by a letter of credit acceptable to Freddie Mac, cash, or pledged securities (rated and marked-to-market).</p>
Property Level Characteristics (Min/Max)	<ul style="list-style-type: none"> • Loans <\$1 million: 1.50x DCR/60% LTV • Loans >\$1 million: 1.20x DCR/80% LTV <p>Open to any loan term but underwriting will be based on 30-year amortization</p>
Collateral Due Diligence	Freddie Mac will be entitled to conduct a full underwriting and due diligence review of all the loans, including interior and exterior physical inspections, borrower and guarantor credit, property financials and rent rolls, environmental, compliance, valuation, and collateral files and servicing files. Freddie Mac will determine which loans will be securitized based on its review.

Servicing	Freddie Mac or a third party will act as the master servicer. Any third-party master servicer will be selected by Loan Seller from a list of Freddie Mac approved master servicers. If a bank desires to sub-service the loans after securitization, the Loan Seller must be approved by Freddie Mac as a Freddie Mac Multifamily Optigo Servicer.
Originator Representations and Warranties	Loan Seller will be required to provide loan level representations and warranties to the securitization trust.
Freddie Mac Loan-Level Representations and Warranties	None
Seasoning	All loans must have 12 months or more of seasoning by closing/settlement.
Market and Rate Risk of Securitization	Freddie Mac does not take market or rate risk by committing to the purchase of any loans or securities.