

Seniors Housing Loan



Affordable Solutions for Seniors Housing

Our Seniors Housing Loan is specifically designed for the acquisition or refinance of properties designated and built as seniors housing properties. It offers flexible, multiple terms for a variety of housing property types — independent living properties, assisted living properties, memory care properties and senior properties with a limited amount of skilled nursing.

The Freddie Mac Difference

When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our Optigo® network of lenders 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.freddie.com/borrowers/.

Product Snapshot

- Designed for the acquisition or refinance of seniors housing properties
- Includes independent living properties, assisted living properties, memory care properties and senior properties with a limited amount of skilled nursing
- 5-10 years, up to 30 years for fixed-rate loans
- Ability to finance seniors housing properties with changing or expanded acuity

Eligible Borrowers	<ul style="list-style-type: none"> • Experienced owner/operator of comparable facilities • If the loan is less than \$5 million, the borrower may be a Single Asset Entity with some additional restrictions and may be a limited partnership, general partnership (no individuals may be general partners), limited liability company, corporation or real estate investment trust (must be a corporation, not a trust) • If the loan is \$5 million or more, the borrower may be a limited partnership, a corporation or a limited liability company and must be a Single Purpose Entity (SPE); see Section 6.13 of the Loan Agreement for basic SPE requirements • If the borrower is structured as a tenancy in common (TIC), each tenant in common must be an SPE (Note: TICs are not encouraged)
Eligible Property Types	<ul style="list-style-type: none"> • Independent living properties • Assisted living properties • Memory care properties • Properties with a limited amount of skilled nursing (maximum 20% of net operating income (NOI)) • Any combination of the above
Terms	<ul style="list-style-type: none"> • 5-10 years (up to 30 years for fixed-rate loans)
Eligible Loans	<ul style="list-style-type: none"> • Fixed-rate loans • Standard and capped floating-rate loans • Supplemental loans (subject to requirements in the Loan Agreement) and other options • Other Freddie Mac loan programs may be available on a waiver basis
Financing Options	<ul style="list-style-type: none"> • Acquisition or refinance loans • Bond credit enhancements • Our Targeted Affordable Housing products
Replacement Reserve Escrow	Generally required
Tax and Insurance Escrow	Generally required
Early Rate-Lock Options (for Fixed-Rate Loans)	Available for extended periods, including our standard early rate-lock and Index Lock options; Optigo lenders should consult with their regional Freddie Mac representative to determine eligibility
Spread Hold	Quoted loan spreads are held for 75 days from signed loan application, allowing sufficient time to close loans at quoted spreads and, if applicable, at Index Lock rates
Application Fee	Greater of \$5,000 or 0.15% of loan amount

Refinance Test	<ul style="list-style-type: none"> No Refinance Test is necessary if the loan has a loan-to-value (LTV) ratio of 55% or less and an amortizing debt coverage ratio (DCR) of: <ul style="list-style-type: none"> For independent living: $\geq 1.45x$ For assisted living: $\geq 1.55x$ For assisted living with skilled nursing beds: $\geq 1.60x$ For stand-alone memory care: $\geq 1.75x$ All partial-term interest-only loans must pass the Refinance Test
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LTV Ratios and Amortizing DCR

Seniors Housing – Independent Living Base Conventional Maximum LTV / Minimum DCR	Fixed-Rate and Floating-Rate ¹ LTV/DCR ²		
	Amortizing	Partial-Term Interest-Only ³	Full-Term Interest-Only
≥ 5 -Year and < 7 -Year Term	70% / 1.30x	70% / 1.30x	60% / 1.40x
≥ 7 -Year Term	75% / 1.30x	75% / 1.30x	65% / 1.40x

Seniors Housing – Assisted Living (>50% Assisted Living Units) Base Conventional Maximum LTV / Minimum DCR	Fixed-Rate and Floating-Rate ¹ LTV/DCR ²		
	Amortizing	Partial-Term Interest-Only ³	Full-Term Interest-Only
≥ 5 -Year and < 7 -Year Term	70% / 1.40x	70% / 1.40x	60% / 1.50x
≥ 7 -Year Term	75% / 1.40x	75% / 1.40x	65% / 1.50x

Seniors Housing – Skilled Nursing ⁴ Base Conventional Maximum LTV / Minimum DCR	Fixed-Rate and Floating-Rate ¹ LTV/DCR ²		
	Amortizing	Partial-Term Interest-Only ³	Full-Term Interest-Only
≥ 5 -Year and < 7 -Year Term	70% / 1.45x	70% / 1.45x	60% / 1.55x
≥ 7 -Year Term	75% / 1.45x	75% / 1.45x	65% / 1.55x

Seniors Housing – Stand-alone Memory Care (100% Memory Care Units) Base Conventional Maximum LTV / Minimum DCR	Fixed-Rate and Floating-Rate ¹ LTV/DCR ²		
	Amortizing	Partial-Term Interest-Only ³	Full-Term Interest-Only
≥ 5-Year and < 7-Year Term	60% / 1.60x	60% / 1.60x	55% / 1.70x
≥ 7-Year Term	65% / 1.60x	65% / 1.60x	55% / 1.70x

¹ Floating-rate proceeds are calculated based on the sizing note rate.

² The DCR calculated for the partial-term interest-only and full-term interest-only period uses an amortizing payment.

³ For partial-term interest-only loans, there must be a minimum amortization period of 5 years for loans with terms greater than 5 years. Acquisition loans with 5-year terms may have up to 1 year of partial-term interest-only. For terms of 10 years or more, loans may have interest only in an amount equal to no more than half of the loan term.

⁴ Skilled nursing cannot exceed a maximum of 20% of the overall property NOI.

For More Information

Contact your Freddie Mac representative.