



PRODUCT SNAPSHOT

## Social Investment Commitment Double Bottom Line Financing

Our Social Investment Commitments are ideal for Borrowers who want to provide a private sector approach to solve the rent affordability crisis in our nation. Borrowers make a positive impact in their communities by preserving rents at conventional properties through voluntary restrictions for the life of the loan. The rental restrictions on set-aside units should be affordable to middle-income residents at 60%-80% of Area Median Income.

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 portion of the units 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.

### Borrowers Who Want to Know More

Contact one of our Optigo Seller/Service providers at:  
[mf.freddiemac.com/borrowers/](http://mf.freddiemac.com/borrowers/)

- Borrower-led rent preservation to provide attainable housing for middle-income residents
- Percentage of set-aside units and rent affordability level may vary by market
- In naturally affordable markets/submarkets, Borrower-provided resident social services will also be required
- Preset credit box that reflects the affordable nature of the units
- Attractive loan pricing – receive full mission pricing benefits
- Straightforward annual monitoring of rents ensures continued affordability
- Restrictions apply to the unit rental rates and not the tenant incomes

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.

▶ Conventional

<b>Product Description</b>	<ul style="list-style-type: none"> <li>▪ Social Investment Commitments offer favorable pricing and credit terms for Borrowers who agree to create or preserve affordable rent levels on a portion of units at a property over the term of the loan</li> <li>▪ Borrowers will be evaluated for a Master Financing Commitment based on the Sponsor's target geographic markets and percentage and level of set-aside unit affordability</li> <li>▪ For naturally affordable markets/submarkets, Borrower-provided resident social services will also be required. Services may include after school tutoring, ESL classes, career counseling, access to health services, etc.</li> </ul>
<b>Commitment Size</b>	Minimum aggregate Commitment of \$100 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>▪ Loans will receive full mission pricing benefits</li> <li>▪ Loans originated under the commitment are not cross-collateralized or cross-defaulted</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 adding 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 (PARC), Borrowers agree to limit rents on a portion of units in the property (Minimum Set-Aside Units) to 60%-80% AMI affordability levels</li> <li>▪ Rent affordability is calculated as annual rental rates that are no more than 30% of 60% AMI to 80% AMI or below, with adjustment for unit size. <i>The restrictions apply to the unit rental rates and not the tenant incomes</i></li> <li>▪ Affordability of rents will be tested on an annual basis</li> <li>▪ Borrower must be in compliance with affordability requirements as of the first anniversary of the loan origination date</li> <li>▪ If a property is not in compliance with the affordability requirements, a noncompliance fee will remain in effect for a minimum of 6 months and until the property has re-achieved compliance</li> </ul>

**CONTACT YOUR REPRESENTATIVE**

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