

Supplemental Loan



Add-On Funding Without Refinancing

Our supplemental loan gives borrowers access to additional capital at a cost lower than refinancing. Take advantage of Freddie Mac's flexible terms, streamlined underwriting and certainty of execution.

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.mac.com/borrowers/.

Product Snapshot

- Additional financing placed at least 12 months after origination of the first loan or the most recent prior supplemental loan
- Both fixed- and floating-rate supplemental loans available
- Supplemental financing behind securitized loans is a unique advantage of the Freddie Mac execution

Green Advantage®

Our Freddie Mac Multifamily **Green Advantage** initiative rewards borrowers who improve their properties to save energy or water.

► Conventional, Seniors, Targeted Affordable: Supplemental Loan

Eligible Optigo Lenders	<ul style="list-style-type: none"> • If the first loan has been securitized, the original Optigo lender for that first loan or currently servicing that first loan • If the first loan has not been securitized, the Optigo lender currently servicing that first loan
Eligible Borrowers	Original first loan borrower or lender-approved transferee
Eligible Loans	<ul style="list-style-type: none"> • Loans behind existing first loans <ul style="list-style-type: none"> • Stabilized properties in good standing • Purchased through the cash loan programs for Conventional, Targeted Affordable Housing, Seniors Housing, and Conventional Structured Transactions • Prior loans (first loans and any prior supplemental loans in place) must have remaining terms of three years or more • Minimum supplemental amount: \$1 million
Terms	Coterminous with first loan; must be at least 12 months after origination of the first loan or the most recent prior to the supplemental loan; not available during the last three years of the first loan
Prepayment Provisions	Structured as a yield maintenance loan
Reserve and Escrow Requirements	Origination of a supplemental loan may trigger collection of deferred reserves and escrows for that first loan. Deferred insurance escrows may be permitted under limited circumstances
Refinance Test	Based on the sum of the debt service and unpaid principal balance of the first loan and all existing and proposed supplemental loans
Servicing Fee	Calculation based on supplemental proceeds
Loan Documents	Subject to Freddie Mac's then current loan documents and any applicable conditions set forth in the first loan and any existing supplemental loan documents

Loan-to-Value (LTV) Ratios and Amortizing Debt Coverage Ratios (DCR)¹

Supplemental Loan Base Maximum LTV and Minimum DCR	Fixed-Rate LTV/DCR and Floating-Rate LTV/DCR (DCR at comparable fixed-note rate)		
	Amortizing ²	Partial-Term Interest Only ²	Full-Term Interest Only (including any supplemental loan with a full-term interest-only first loan)
≥ 3-Year and < 5-Year Term	75% / 1.35x	75% / 1.35x	65% / 1.45x
≥ 5-Year and < 7-Year Term	75% / 1.25x	75% / 1.25x	65% / 1.35x
≥ 7-Year Term	80% / 1.25x	80% / 1.25x	70% / 1.35x

¹ All DCRs and LTVs are calculated based on the sum of the amortizing debt service and unpaid principal balance of the first loan and all existing and proposed supplemental loans.

² 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.

For More Information

Contact your Freddie Mac representative.