Tax-Exempt Bond Securitization
Securitization for Tax-Exempt Bondholders

For tax-exempt bondholders (Sponsors) in the multifamily affordable housing market, we provide liquidity via the efficiencies of our securitization platform. Through our Tax-Exempt Bond Securitization (TEBS) program, the Sponsor transfers portfolios of unrated bonds to Freddie Mac in exchange for certain rated M-class certificates.

The Freddie Mac Difference
When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our OptigoSM network of Seller/Servicers 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 Seller/Servicers at mf.freddiemac.com/borrowers/
<table>
<thead>
<tr>
<th>Eligible Sponsors</th>
<th>Freddie Mac Multifamily Optigo Targeted Affordable Housing Seller/Servicers and other well-capitalized financial institutions on a case-by-case basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Property Types</td>
<td>Multifamily properties; all assets will be underwritten by Freddie Mac</td>
</tr>
</tbody>
</table>
| Product Description | The TEBS structure is a proprietary execution offered by Freddie Mac through which a Sponsor transfers privately placed tax-exempt multifamily housing revenue bonds (and possibly related taxable bonds or loans) to Freddie Mac in exchange for:  
  - Freddie Mac senior Class-A M Certificates that are generally sold to investors and  
  - Subordinate Class-B M Certificates that are generally retained by the Sponsor.  
  
Freddie Mac's Class-A M Certificates are fully guaranteed tax-exempt or taxable securities supported by pools of unenhanced tax-exempt multifamily housing revenue bonds or related taxable bonds or loans. In the event that the senior Class-A M Certificates bear interest at a variable rate, Freddie Mac may also provide a liquidity facility in the form of a guarantee of the purchase price of the senior Class-A certificates if tendered for purchase by an investor. |
| Amount | Generally, \( \geq \$100 \text{ million} \) |
| Benefits to Sponsor |  
  - Balance Sheet Management – reduce concentration of Multifamily assets  
  - Capital Management – risk capped at Class-B M Certificate amount (if retained by Sponsor)  
  - Profitability – enhanced yields through retention of Class-B M Certificates  
  - Monetization – Class-A M Certificates sold to investors for cash |
| Subordination Level (Size of B Piece) | On average 15% of total pool size, but can vary based on collateral quality and Sponsor needs |
| Minimum Debt Coverage Ratio/Maximum Loan-To-Value Ratio (of each asset) | 1.05x / 95% per Freddie Mac underwriting |
| Documentation/Due Diligence Required During Freddie Mac Underwriting (Complete list of documentation available in TEBS Underwriting Checklist, provided upon request) | - Appraisal or market study for each property  
- Current rent roll of each property  
- Current and historical financial statements of each property  
- Sponsor organizational documents  
- Ground lease information (if applicable)  
- HAP contracts and amendments (if applicable)  
- LURA or Regulatory Agreement | - Evidence of tax credits awarded or tax credit application  
- As-built surveys  
- Title policy  
- Bond amortization schedules  
- Insurance review  
- Seismic reports (if applicable)  
- Terms of subordinate debt (if applicable) |
| Upfront Fees (Approximately 50 bps for a $100 million transaction) | - Underwriting fees  
- Legal fees  
- Execution fees  
- Tax Opinion fee | - Modeling fee  
- Rating agency fee  
- Liquidity facility fee (if applicable) |
| Ongoing Fees (Based on underlying collateral and subordination level) | - Freddie Mac guarantee fee  
- Servicing fee  
- Remarketing agent fee (if Class-A M Certificates are variable-rate certificates)  
- Liquidity facility fee (if Class-A M Certificates are variable-rate certificates) | |
| Liquidity Facility Options | In the event that the senior Class-A M Certificates bear interest at a variable rate, Freddie Mac may also provide a liquidity facility | |
| Hedging | If the Class-A M Certificates are variable-rate certificates, the Sponsor must purchase an interest rate hedge acceptable to Freddie Mac from an approved Freddie Mac counterparty | |
How TEBS Works

- Sponsor delivers bonds to Freddie Mac, which are registered in the name of Freddie Mac.
- Freddie Mac delivers rated Class-A and unrated Class-B M Certificates to the Sponsor.

Class-A M Certificates are marketed and sold to investors; Freddie Mac guarantees the payment of scheduled principal on the bonds and all interest on the Class-A M Certificates.

Class-B M Certificates are issued to and held by Sponsor. Monthly interest payments on the Class-B M Certificates are made on a subordinate “if available” basis only after all Class-A M Certificate interest and ongoing fees have been paid in full, and after Freddie Mac has been reimbursed for all amounts then due under the Reimbursement Agreement.

Note: The most common structure has been detailed above. The Class A and Class B Certificates can be retained by the Sponsor or both sold to investors.
### Contact Your Representative

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leena Amin</td>
<td>Manager, Structured Transactions</td>
<td>(571) 382.5186 or <a href="mailto:leena_amin@freddiemac.com">leena_amin@freddiemac.com</a></td>
</tr>
<tr>
<td>Andrew Tush</td>
<td>Manager, Structured Transactions</td>
<td>(703) 714-2669 or <a href="mailto:andrew_tush@freddiemac.com">andrew_tush@freddiemac.com</a></td>
</tr>
</tbody>
</table>