

Sponsor Speed Reads



Welcome to the first issue of Sponsor Speed Reads, a monthly summary of news, research and product highlights from Freddie Mac Multifamily. Is there content you'd like to see in future issues? [Give us feedback](#). Know a sponsor who'd like to be on this email list? They can [sign up here](#).

Help Us Give You Relevant Information

Since this is our first sponsor update, we'd like to understand how to best provide you with the information you want from us. Please take a minute to [answer these five quick questions](#).

Product News

Trending

We're seeing more interest in our [five-year fixed](#) program, which includes prepayment options for sponsors looking for an alternative to floating-rate debt. Our shorter-term fixed-rate option is popular with borrowers who historically have chosen floating-rate debt but are now uncomfortable with how quickly SOFR has risen.

Send Date: July 6, 2023

With the volatility in interest rates, if a deal pencils, it's a good time to take advantage of our [Index Lock](#).

Green Advantage® Adds 5-Year Loans

With more sponsors looking for the flexibility of shorter-term loans, we're happy to announce [Green Advantage](#) now includes 5-year term loans. Opt for Green Up® on 5-, 7- and 10-year term loans — either fixed rate or floating. And remember, you no longer need an affordability requirement. See our [term sheet](#).

Rent Preservation Options

This month we highlight choices for sponsors looking to preserve rents via our conventional product offerings: [Workforce Housing Preservation](#) (or “Prez” for short) fills a huge need to incorporate the concept of preservation into our conventional loan products. This may include some pricing or credit parameter benefits. Since it does have similarities to our [Tenant Advancement Commitment](#) (TAC) product, we want to help you identify how these two choices differ and which makes the most sense for your needs.

What differentiates Workforce Housing Preservation from TAC?

Both options are for sponsors who want to promote affordable housing by agreeing to restrict a portion of their property rents at mission levels. However, the biggest difference is that the TAC is typically a 12-month commitment (minimum \$100 million commitment size) for one or more securitized loans under an umbrella Master Financing Commitment, while Prez is a feature we can include in individual conventional loan transactions.

We've found that the TAC is a good fit for our sponsors who routinely do this across their portfolio, often providing resident services and credit-building initiatives as well. Prez is available to any sponsor willing to restrict some of the rents at their property and is a great entry point for those who are just getting into rent preservation.

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Either way, both options are a great way for sponsors to help us make a difference in the affordable housing crisis through voluntary rent restrictions.

[Read the full article.](#)

Product Questions?

For questions on any of our products or offerings, please reach out to your Optigo® lender.

Mission in Action

- [Doing Well While Doing Good Through Tenant Advancement.](#) Learn how our TAC was used [to make a positive impact for the residents at Walden Lake](#) — a workforce housing property financed with Bridge Investment Group and Optigo® lender Wells Fargo. And learn more about the inception of TAC in our [behind-the-scenes conversation](#).
- [Supporting Workforce Housing in the Heart of L.A.](#) We recently funded a \$947 million refinance, working with Prime Residential and Optigo lender Newmark. This property, with more than 4,200 apartments, is the largest apartment complex on the West Coast. And importantly, 46% of the units currently qualify as [mission-driven](#), with rents deemed affordable based on the requirements and published metrics of the Federal Housing Finance Agency (FHFA).

Tenant Protections — FHFA Request for Information

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Ready to share your perspective on multifamily tenant protections? FHFA has published a [Request for Information](#) on tenant protections — to help explore ways Freddie Mac and Fannie Mae can address challenges faced by tenants and other multifamily stakeholders. **Submit responses by July 31 through FHFA's website .**

We strongly encourage those interested in sharing their perspectives to respond. The viewpoints of an array of stakeholders will be valuable to FHFA and the government-sponsored enterprises as we navigate this complex issue.

AIMI® Q1 2023 Update

The Freddie Mac Multifamily [Apartment Investment Market Index®](#) (AIMI) rose by 5.3% in the first quarter of 2023. The increase nationwide, and in all 25 markets, was a sharp reversal from the previous quarter drop. Year over year, the annual index is down 16.6%.

Learn how the relative value of investing in multifamily properties in select major metros, and nationally, has changed over time — with AIMI.

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