



A Debt Service Reserve (DSR) will be required on all Targeted Affordable Housing (TAH) deals (nine months if below 1.40x DCR / six months if 1.40x DCR or greater).

Assuming full due diligence (per the *Freddie Mac Multifamily Seller/Service Guide*) is complete, the following transaction types may **not** require a DSR:

- Project-based HAP contract on 100% of the units with a contract term greater than or equal to our loan term
- Eight years remaining on the initial 15-year Low-Income Housing Tax Credit compliance period
- Unfunded forwards during the unfunded period

NOTE: Freddie Mac retains the right to make additional adjustments to credit (including adjusting transaction structure, loan amounts, or requiring a DSR) on all TAH products (including Forward Conversions) based on individual deal terms/circumstances/incomplete due diligence.

