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Flash back to last year, and it seems difficult to imagine where we are in the world today. In these tough times, we're thinking of you, your families and your teams and wishing you all the best.

Amid all that's changed, we remain true to our mission to provide stability, liquidity and affordability, as Debby Jenkins [outlined](#) last week.

Our mission business with all of you is essential, now more than ever. Low-income renters are often hourly wage earners who may have lost their jobs, among the 22 million Americans filing for unemployment since the start of the pandemic.

We're in this together, and we rely on the strength of your partnership to keep our affordable housing business strong. Our teams are working hard to find solutions to move your deals forward — to close, fund and securitize your loans. As new issues arise in the weeks ahead, we'll continue to focus on

getting business done responsibly, addressing concerns, being as transparent as possible and keeping you well-informed.

As always, please do not hesitate to reach out to your relationship managers with any concerns or questions.

Here are our recent updates and clarifications, along with resources for you, your borrowers and their renters:

## Pricing Update

We're committed to our mission business, and we heard your concerns about costs. So we've lowered pricing by **10 bps** — for deals with a mission percentage of at least 50% — on both fixed and floating for the following products:

- [Cash Loans for Affordable Housing Preservation](#)
- [Tax-Exempt Loans](#)
- [9% LIHTC Cash Loans](#)

**Treasury floors** for all fixed-rate terms will be set at the greater of the current Treasury floor calculation and **0.6%**.

## More on Debt Service Reserve

We've made a few clarifications to our April 8 Debt Service Reserve (DSR) announcement:

A DSR is required on all TAH deals — nine months if below 1.40x DCR, or six months if 1.40x DCR or greater.

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

1. Properties with HAP contracts that cover 100% of units with a contract term greater than or equal to the loan term, provided that

the annualized HAP payments alone (assuming no tenant rent or commercial income) support breakeven operations

2. Properties with eight years remaining on the initial 15-year Low-Income Housing Tax Credit compliance period:
  - An unlimited guaranty of operating expenses or deficits is in place at closing, or
  - A limited guaranty of operating expenses or deficits and an operating reserve are in place at closing (or with respect to the operating reserve, will be funded within six months)
    - Limited guaranty must equal to at least six months of operating expenses.
    - Operating reserve must be funded in an amount at least nine months of amortizing debt service.

In each instance, for a term satisfactory to Freddie Mac.

3. Unfunded Forwards prior to conversion

## Need a Recap or More Info?

You can refer to these resources to find COVID-19 related updates:

- **COVID-19 Business Update Webpage** [Bookmark this page](#) and find all the updates.
- **Contingency Plan for Final Delivery Packages** Last month we shared a [contingency plan](#) for final delivery packages. We activated the plan April 1 and requested related parties to hold on to their physical loan documents. Submissions are now occurring electronically in the Document Management System (DMS).

- **Forbearance** See the [Asset Management webpage](#) under the *Asset Management References* tab for the latest forbearance resources.
- **Property Inspections** We previously released [guidance on property inspections](#). We've also created [virtual inspections guidelines](#).
- **Reporting and Remitting on Forbearance Loans** Refer to the [Investor Reporting webpage](#) under the *Investor Reporting References* tab.
- **Renter Helpline** Our new renter helpline helps renters get back on track with free financial counseling by a HUD-approved debt solutions provider. Share [this flyer](#) with your borrowers.

