Pricing Update – Effective 5/18

Pricing dropped for the following TAH products:

- **15 bps** for fixed-rate cash preservation
- **10 bps** for floating-rate cash preservation
- **5 bps** for Tax-Exempt Loans (TELs)
- **10 bps** for 9% LIHTC

Index Lock, DSR & Other Changes

We made several changes effective Monday, May 18, that apply to Cash Preservation, 9% LIHTC and 4% TELs, including:

- Bringing back our hallmark Index Locks to give your borrowers greater certainty. We offer a real advantage by holding TAH rate-locks for 90 or 150 days.

<table>
<thead>
<tr>
<th>Hold Period</th>
<th>Index Lock Adder</th>
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<tbody>
<tr>
<td></td>
<td>Select Sponsor</td>
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<tr>
<td>90 Days</td>
<td>2 bps</td>
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<tr>
<td>120 Days</td>
<td>5 bps</td>
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<tr>
<td>150 Days</td>
<td>7 bps</td>
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- Relaxing our Debt Service Reserve (DSR) in certain situations.

Guidance for Transactions That Do Not Require a DSR
Certain TAH deals may not require a DSR:

**Section 8 long-term properties with HAP contracts covering 100% of units and a contract term greater than or equal to the loan term**

(Note: There is no longer a requirement that HAP payments alone support breakeven operations.)

Please remember to provide the following standard underwriting information for any HAP contract:

- Amount of monthly rent from the Section 8 contract
- Amount of monthly tenant-based rent income
- The Fair Market Rent (FMR) for units in that neighborhood. The FMR is published by the Housing Finance Agency responsible for that HAP Contract
- Note whether the contract allows annual operating cost adjustment factors (OCAF) increases and when the next OCAF increase will occur
- The history of the last five years of OCAF increases for that neighborhood

**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 (unlimited and limited guaranty), for a term satisfactory to Freddie Mac.
Unfunded Forwards prior to conversion

COVID-19 Business Update Webpage

Get all the updates here.