



Targeted Affordable Housing (TAH): Comparing our Securitization and Portfolio Executions

	Securitization Execution	Portfolio Execution
Targeted Affordable Housing (TAH) Offerings	Stabilized cash mortgages with terms ≤ 15 years	<ul style="list-style-type: none"> All moderate rehabilitation loans with rehabilitation periods exceeding 6 months and terms ≥ 15 years Bond Credit Enhancement Mortgages with 4% LIHTC Bond Credit Enhancement Mortgages with Other Affordability Components 9% LIHTC Cash Mortgages (Forward Commitments)
Pricing	Lower risk-based pricing over portfolio, in most cases	Risk-based pricing
Loan-to-Value Ratio and Debt Coverage Ratio	See our product term sheets	See our product term sheets
Prepayment Premium	Yield maintenance until securitized followed by 2-year lockout; defeasance thereafter. No premium for final 90 days. <ul style="list-style-type: none"> If loan is not securitized within first year, then yield maintenance applies for the life of the loan If the loan is securitized, yield maintenance is available for an additional cost 	Yield maintenance
Freddie Mac Point of Contact	<ul style="list-style-type: none"> Single loan transactions – Home Office TAH team Structured transactions (multiple loan pools) – Structured Affordable Transaction team 	<ul style="list-style-type: none"> Single loan transactions – Home Office TAH team Structured transactions (multiple loan pools) – Structured Affordable Transaction team
Primary Servicer	Seller/Servicer may serve as the Primary Servicer or Subservicer, at its discretion, pursuant to the terms of the <i>Freddie Mac Multifamily Seller/Servicer Guide</i>	Seller/Servicer
Income and Expense Statements	Annual Income & Expense (AIE) statements required monthly until loan securities are sold; quarterly thereafter	AIE submission required annually
Supplemental Financing Available	Yes, subject to requirements specified in the Multifamily Loan and Security Agreement	Yes
Borrowing Entity	<ul style="list-style-type: none"> Borrower may generally be a limited partnership, corporation, limited liability company, or a tenancy-in-common (TIC) with 10 or fewer tenants in common. General partnerships, limited liability partnerships, REITs and certain trusts may also be acceptable in limited circumstances, subject to additional requirements. Borrower must generally be a Single Purpose Entity (SPE) (see Section 6.13 of the Loan Agreement for basic SPE requirements); however, on loans less than \$5 million, upon Borrower's request, a Borrower other than a TIC may be a Single Asset Entity (SAE) instead of an SPE. If the borrower is structured as a Tenancy In Common (TIC), each Tenant in Common must be an SPE. 	Typically, an SAE

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