

FREDDIE MAC OPTIGO®

Lease-Up Loan

LOCK IN LOW INTEREST RATES BEFORE STABILIZATION

	REFINANCE LEASE-UP	ACQUISITION LEASE-UP
PRODUCT DESCRIPTION	Refinancing for newly constructed properties.	Acquisition financing for newly constructed properties.
ELIGIBLE BORROWERS	Borrowers must have experience with new construction and/or lease-up properties, and generally have strong financial capacity and real estate management expertise with good performance and credit history. <ul style="list-style-type: none"> For Targeted Affordable Lease-Ups, borrowers must have experience in the development and/or ownership of multifamily properties financed with credit-enhanced tax-exempt bonds, state and local affordable programs, Section 8, and/or Low-Income Housing Tax Credits (LIHTC), and/or work with an experienced LIHTC Syndicator, as applicable. For Seniors Housing Lease-Ups, borrowers must have experience owning and operating properties in similar service levels and size. 	
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> Well-constructed properties exhibiting strong lease-up trends in good locations and strong markets. Student housing and manufactured housing community transactions are not eligible. Stabilization expected within 12 months of closing. 	
LOAN TYPES	<ul style="list-style-type: none"> Fixed- and floating-rate loans. Interest-only (I/O) available during the lease-up period. See the Fixed-Rate Loan and Floating-Rate Loan term sheets for details. 	
MAXIMUM LOAN-TO-VALUE (LTV) RATIO (as stabilized)	75% (Conventional and Targeted Affordable). 70% (Seniors Housing with Independent Living and/or Assisted Living).	
MINIMUM DEBT COVERAGE RATIO (DCR)	1.30x (Conventional and Targeted Affordable). 1.35x (Seniors Housing with Independent Living). 1.45x (Seniors Housing with Assisted Living).	
MINIMUM CASH EQUITY REQUIREMENT	15% (Conventional and Targeted Affordable). 20% (Seniors Housing with Independent Living and/or Assisted Living).	25% (Conventional and Targeted Affordable). 25% (Seniors Housing with Independent Living and/or Assisted Living).
LEASE-UP CREDIT ENHANCEMENT	<ul style="list-style-type: none"> A Lease-Up Credit Enhancement is required for all Lease-Up transactions. The form of the Lease-Up Credit Enhancement will be determined by Freddie Mac. The Lease-Up Credit Enhancement must be at least 5% of the unpaid principal balance (10% if the Lease-Up Credit Enhancement is a guaranty, subject to additional conditions). Release of Lease-Up Credit Enhancement will occur once the property has achieved the required amortizing DCR based on average performance of the past 3 months, net rental income for the past 1 month meets or exceeds the level necessary to reach the required amortizing DCR, and has met other standard conditions as set forth by Freddie Mac. If the required DCR is not reached within 12 months, the Lease-Up Credit Enhancement will be used to resize the loan and recast the payments. 	
CLOSING DEBT SERVICE ESCROW	<ul style="list-style-type: none"> An additional 3-month debt service escrow may be required based on the property's actual operations at underwriting. 	

For important disclosures about Lument and the information found in this term sheet [click here](#).

RATE LOCK	<ul style="list-style-type: none"> • 50% occupied. • 60% leased. • 60% or more Certificates of Occupancy issued. 	
CLOSING	<ul style="list-style-type: none"> • 1.05x DCR. • 100% of Certificates of Occupancy issued (Conventional and Targeted Affordable). • Assisted Living properties must have all required licenses authorizing operations. 	<ul style="list-style-type: none"> • 1.0x DCR. • 100% of Certificates of Occupancy issued (Conventional and Targeted Affordable). • Assisted Living properties must have all required licenses authorizing operations.
APPRAISAL REPORT	The appraisal report must provide the as-is and as-stabilized values for the property.	
MARKETS	Except for Seniors Housing, additional flexibility available on a case-by-case basis through an assessment of the sponsor and market as determined by Freddie Mac.	