

## FREDDIE MAC OPTIGO®

### Lease-Up Loan

#### LOCK IN LOW INTEREST RATES BEFORE STABILIZATION

	REFINANCE LEASE-UP	ACQUISITION LEASE-UP
<b>PRODUCT DESCRIPTION</b>	Refinancing for newly constructed properties.	Acquisition financing for newly constructed properties.
<b>ELIGIBLE BORROWERS</b>	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"> <li>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.</li> <li>For Seniors Housing Lease-Ups, borrowers must have experience owning and operating properties in similar service levels and size.</li> </ul>	
<b>ELIGIBLE PROPERTY TYPES</b>	<ul style="list-style-type: none"> <li>Well-constructed properties exhibiting strong lease-up trends in good locations and strong markets.</li> <li>Student housing and manufactured housing community transactions are not eligible.</li> <li>Stabilization expected within 12 months of closing.</li> </ul>	
<b>LOAN TYPES</b>	<ul style="list-style-type: none"> <li>Fixed- and floating-rate loans.</li> <li>Interest-only (I/O) available during the lease-up period.</li> <li>See the Fixed-Rate Loan and Floating-Rate Loan term sheets for details.</li> </ul>	
<b>MAXIMUM LOAN-TO-VALUE (LTV) RATIO (as stabilized)</b>	75% (Conventional and Targeted Affordable). 70% (Seniors Housing with Independent Living and/or Assisted Living).	
<b>MINIMUM DEBT COVERAGE RATIO (DCR)</b>	1.30x (Conventional and Targeted Affordable). 1.35x (Seniors Housing with Independent Living). 1.45x (Seniors Housing with Assisted Living).	
<b>MINIMUM CASH EQUITY REQUIREMENT</b>	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).
<b>LEASE-UP CREDIT ENHANCEMENT</b>	<ul style="list-style-type: none"> <li>A Lease-Up Credit Enhancement is required for all Lease-Up transactions.</li> <li>The form of the Lease-Up Credit Enhancement will be determined by Freddie Mac.</li> <li>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).</li> <li>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.</li> <li>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.</li> </ul>	
<b>CLOSING DEBT SERVICE ESCROW</b>	<ul style="list-style-type: none"> <li>An additional 3-month debt service escrow may be required based on the property's actual operations at underwriting.</li> </ul>	

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

<b>RATE LOCK</b>	<ul style="list-style-type: none"> <li>• 50% occupied.</li> <li>• 60% leased.</li> <li>• 60% or more Certificates of Occupancy issued.</li> </ul>		
<b>CLOSING</b>	<table border="0"> <tr> <td> <ul style="list-style-type: none"> <li>• 1.05x DCR.</li> <li>• 100% of Certificates of Occupancy issued (Conventional and Targeted Affordable).</li> <li>• Assisted Living properties must have all required licenses authorizing operations.</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• 1.0x DCR.</li> <li>• 100% of Certificates of Occupancy issued (Conventional and Targeted Affordable).</li> <li>• Assisted Living properties must have all required licenses authorizing operations.</li> </ul> </td> </tr> </table>	<ul style="list-style-type: none"> <li>• 1.05x DCR.</li> <li>• 100% of Certificates of Occupancy issued (Conventional and Targeted Affordable).</li> <li>• Assisted Living properties must have all required licenses authorizing operations.</li> </ul>	<ul style="list-style-type: none"> <li>• 1.0x DCR.</li> <li>• 100% of Certificates of Occupancy issued (Conventional and Targeted Affordable).</li> <li>• Assisted Living properties must have all required licenses authorizing operations.</li> </ul>
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<b>APPRAISAL REPORT</b>	The appraisal report must provide the as-is and as-stabilized values for the property.		
<b>MARKETS</b>	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.		