

FREDDIE MAC OPTIGO®

Manufactured Housing Resident Owned Community Loan (MHROC)

CUSTOMIZED LOANS FOR MANUFACTURED HOUSING COMMUNITIES OWNED BY RESIDENTS

ELIGIBLE PROPERTY TYPES	Existing, stabilized, high-quality, professionally managed MHROCs, with or without age restrictions.
ELIGIBLE TRANSACTION TYPES	- Acquisition/Conversion: An Acquisition Mortgage on a Manufactured Housing Community which is in the process of converting from a rental property to an MHROC. The MHROC Borrower must be formed prior to rate lock. - Seasoned Refinance: A Refinance Mortgage on an existing MHROC with most shares already sold to resident shareholders.
ELIGIBLE BORROWERS	Not-for-profit cooperative corporation or association (Co-op) in which shares in the Co-op are sold to shareholders and such shares entitle the shareholder to occupy a specific pad.
REQUIREMENTS FOR RESIDENT SHAREHOLDERS	At rate-lock: 100% of pads must be owned by the MHROC Borrower. - At least 90% of shares must be owned by resident-shareholders. Seasoned Refinances offer flexibility on this point with alternate sizing.
DEBT SERVICE RESERVE	May be required.
TERMS	5- to 30-year terms.
MINIMUM UPB AMOUNT	\$500,000.
MAXIMUM AMORTIZATION	30 years.
INTEREST RATE	Fixed rate only, floating rate not permitted; please refer to the Fixed-Rate Loan term sheet for additional information.
INTEREST ONLY	Amortizing only - Interest only not permitted.
PREPAYMENT PROVISIONS	Refer to the Fixed-Rate Loan term sheet for additional information.
RECOURSE REQUIREMENTS	Non-recourse, guarantor not required.
SUPPLEMENTAL FINANCING	Available, subject to the Supplemental Loan offering requirements.
HOME RENTALS	The percentage of homes owned by the borrower, borrower-affiliate, or third-party investor cannot exceed 5% in aggregate.
TAX AND INSURANCE ESCROW	Required.
REPLACEMENT RESERVE ESCROW	Minimum \$50/site/year and \$250/borrower-owned manufactured home/year (if included in the collateral).
APPLICATION FEE	Greater of \$2,000 or 0.1% of loan amount.
EARLY RATE AND SPREAD LOCK OPTIONS	Standard Delivery.
REFINANCE TEST	Refinance Test is necessary on all MHROC loans.

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

ADDITIONAL CONSIDERATIONS

- Private facilities (e.g., wells and septic systems) are allowed with considerations.
 - Rental leases cannot contain options to purchase pad sites or borrower-owned manufactured homes.
 - Retail sales or financing by borrowing entity of any manufactured homes or shares in the MHROC Borrower is not allowed.
 - RV campgrounds and broken condominiums are excluded.
 - Wrap financing, seller financing, mezzanine financing, and preferred equity are not permitted.
- Freddie Mac will not purchase end loans or loans to individual shareholders.

Fixed-Rate LTV Ratios and Amortizing DCRs¹

FIXED-RATE BASE CONVENTIONAL MAXIMUM LTV AND MINIMUM DCR (ALL AMORTIZING)	ACQUISITIONS/CONVERSIONS	SEASONED REFINANCES
AS MARKET RATE RENTAL ²	70% / 1.40x.	70% / 1.40x.
AS COOPERATIVE ³	NA / 1.15x.	NA / 1.10x.

¹Adjustments to DCRs and LTVs may be required depending on the property, product and/or market.

²As market rate rental' – income and expenses underwritten as a conventional rental property operation.

³As cooperative' – income and expenses underwritten as a resident-owned cooperative (as-is).