FREDDIE MAC OPTIGO®

9% LIHTC Cash Loan

Get a cash loan for affordable multifamily properties with 9% Low-Income Housing Tax Credits (LIHTCs). We can help with these properties—whether it's for new construction, a moderate or major renovation, or the acquisition or refinancing of stabilized properties.

LOW-INCOME TAX CREDITS FOR AFFORDABLE HOUSING LOANS

	Forward Commitment	Immediate Funding	Preservation Rehabilitation
ELIGIBLE PROPERTY TYPES	To-be-built or substantially rehabilitated garden, mid-rise or high-rise multifamily properties with 9% Low-Income Housing Tax Credit (LIHTC).	Garden, mid-rise,or high-rise multifamily properties with 9% LIHTC with 90% occupancy for 90 days.	Garden, mid-rise or high-rise multifamily properties with 9% LIHTC that are undergoing moderate rehabilitation with tenants in place.
TERMS	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing. Maximum term: 35 years.	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing. Maximum term: 35 years.	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing. Maximum term: 35 years. Rehabilitation and stabilization period (at a maximum of 24 months) will be included in the loan term.
CONSTRUCTION LOAN TERMS	Maximum forward commitment term: 36 months plus a free 6-month extension during construction period.	N/A.	N/A.
PRODUCT DESCRIPTION	Forward commitment for new construction or substantial rehabilitation of affordable multifamily properties with 9% LIHTC.	Financing for the acquisition or refinance of stabilized affordable multifamily properties with 9% LIHTC with at least 7 years remaining in the LIHTC benefit period.	Financing for the moderate rehabilitation of affordable multifamily properties with new 9% LIHTC and tenants in place.
TYPE OF FUNDING	Funded or unfunded construction financing commitment; permanent financing at conversion.	Permanent financing.	Financing for acquisition/ rehabilitation (for a maximum of 24 months) based on projected post-rehabilitation net operating income (NOI); cash or letter of credit collateral required to collateralize gap between supportable debt on current NOI and loan amount (collateral held until stabilization); interest only during the rehabilitation/ stabilization period.
MINIMUM DEBT COVERAGE RATIO[1] (DCR)	1.15x.	1.15x.	1.15x.

In its prequalifying review, Lument will attempt to estimate both the loan amount and the fees and costs associated with the transaction. Actual loan amounts and actual fees and expenses may vary from the prequalifying estimates. A prequalifying estimate is not a commitment to make a loan.

MAXIMUM LOAN-TO-VALUE (LTV) RATIO[1]	90% of market value.	90% of market value.	90% of market value.
MAXIMUM AMORTIZATION	35 years.	35 years.	35 years.

	Forward Commitment	**Immediate Funding**	**Preservation Rehabilitation**
PREPAYMENT PROVISIONS	Yield maintenance.	Yield maintenance.	Yield maintenance.
TAX AND INSURANCE ESCROWS	Required.	Required.	Required.
FEES	Application fee, commitment fee, Delivery Assurance Fee, plus other fees as applicable.	Application fee, commitment fee, plus other fees as applicable.	Application fee, commitment fee, plus other fees as applicable.
SECURITIZATION AVAILABLE	No.	Yes.	No.
EARLY RATE-LOCK (ERL) OPTIONS	Not applicable.	Early rate-lock or Index Lock options available.	Not applicable.

[1]Adjustments may be made depending on the property, product and/or market.

The LIHTC Program, based on Section 42 of the Internal Revenue Code, was enacted by Congress in 1986 to provide the private market an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer more affordable rents. Provided the property maintains compliance with the program requirements, investors receive a dollar-for-dollar credit against their Federal tax liability each year over a period of 10 years.