

FREDDIE MAC CONVENTIONAL MULTIFAMILY

Preferred Equity Financing Program

Lument's Real Estate Investment Strategies Group provides attractive financing for borrowers seeking to increase leverage through the Freddie Mac Conventional Mortgage Loan Program.

FEATURES

- Non-Recourse, with the exception of environmental indemnity and Lument's standard carve-outs.
- Direct or Indirect Ownership.
- The underlying Freddie Mac Loan may be fixed or floating rate.

INVESTMENT AMOUNT	\$1,000,000 and up. Must be made in conjunction with a fixed rate Freddie Mac mortgage loan of \$10,000,000 or more.
TERM	Term of up to 10 years, coterminous with the senior Freddie Mac mortgage loan. Term greater than 10 years will be considered on a case by case basis.
AMORTIZATION	Typically Interest Only, subject to certain restrictions.
PREPAYMENT	Declining annual prepayment premium schedule. No prepayment premium is charged in the last 90 days of the term.
LOAN TO VALUE RATIOS	Up to 90%.
DEBT COVERAGE RATIOS	1.05x minimum combined DSCR based on an amortizing first mortgage and the preferred equity.
MARKETS	Primary and Secondary U.S. MSAs.
SUPPLEMENTAL MORTGAGE	Freddie Mac Supplemental Loans can be used to pay off the Preferred Equity as well as provide future additional leverage.
APPLICATION FEE/DEPOSITS	Borrower, Sponsor and Key Principal(s) shall be responsible for all expenses incurred by Lument in connection with the Preferred Equity Investment, including legal, out of pocket and other third party expenses. An application fee and deposit will be due upon engagement. An origination fee shall be charged and an exit fee, waived if Lument provides take out financing.
PREFERRED RETURN	The Preferred Equity has a competitive fixed preferred return, that when blended with the Freddie Mac first mortgage rate offers attractive all-in pricing.
ELIGIBLE PROPERTIES	Stabilized or near stabilized multifamily properties (potentially in need of renovation not to exceed \$5,000 per unit) with at least 5 units (typically over 100 units), a proven location, and experienced owner and management.
REQUIREMENTS	<ul style="list-style-type: none"> • Escrow accounts for insurance, real estate taxes, special assessments. • Replacement reserve account. • Any immediate repairs needed must be completed within 12 months of loan closing.

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.