

FREDDIE MAC OPTIGO®

Conventional Small

FAST, FLEXIBLE, FIXED-RATE FINANCING FOR SMALLER LOANS

Through the Freddie Mac Optigo® Conventional Small fixed-rate loans, you get a flexible financing solution and certainty of execution for the acquisition or refinance of multifamily housing properties with loans of \$10 million or less. Borrowers have a variety of options to suit their individual needs.

ELIGIBLE BORROWERS	<ul style="list-style-type: none"> Borrower may be a limited partnership, corporation, limited liability company or a tenancy in common (TIC) with 5 or fewer tenants in common General partnerships, limited liability partnerships, real estate investment trusts (REITs) and certain trusts may also be acceptable in limited circumstances, subject to additional requirements Borrower must be a Single Purpose Entity (Loans \$20,000,000 and Under) for basic SPE requirements.
ELIGIBLE PROPERTIES	Standard multifamily housing, with exclusions for student properties, seniors housing, manufactured housing communities, and cooperative housing. Loans may be used for acquisition or refinance. Hard subordinate debt is not permitted.
TERMS	5, 7, 10, 12 or 15-year terms.
AMOUNT	Generally, \$2 million to \$10 million
MAXIMUM AMORTIZATION	30 years
AMORTIZATION CALCULATIONS	Actual/360 standard; 30/360 available
LOCK-OUT PERIOD	2 years following securitization
PREPAYMENT PROVISIONS	Standard prepayment provision is yield maintenance until securitized followed by 2-year lock-out; defeasance thereafter. No prepayment premium for final 90 days. If loan is not securitized within first year, then yield maintenance applies until the final 90 days. Step-down and yield maintenance without defeasance are available at an additional cost.
TAX & INSURANCE ESCROW	Generally required
REPLACEMENT RESERVE DEPOSIT	Generally required
RECOURSE REQUIREMENTS	Non-recourse except for standard carve-out provisions
LOAN DOCUMENTS	Standard loan documents required, without modifications
SUPPLEMENTAL LOAN AVAILABILITY	Yes, subject to requirements specified in the Loan Agreement
APPLICATION FEE	0.10% of loan amount.
LOCK OPTIONS	Spread lock for 60 days post-loan application. Index Lock option may be available for sponsors and properties that qualify. Optigo lenders should consult with their regional Freddie Mac representative to determine eligibility
REFINANCE TEST	No Refinance Test is necessary if the loan has an amortizing debt coverage ratio (DCR) of 1.40x or greater and a loan-to-value (LTV) ratio of 60% or less
GUARANTOR REQUIREMENTS	<ul style="list-style-type: none"> Minimum Liquidity: Greater of 100% of the ADS, or 10% of the total loan amount Minimum Net Worth: Less than or equal to \$15M: \$5M (<i>NW varies for higher loans</i>) FICO score of 680 or better, for individual Guarantors or for at least one of the Guarantors when there are multiple Guarantors, applies to all <= \$10 MM loans

LTV RATIOS & AMORTIZING¹ DCR

Conventional Small Maximum LTV & Minimum DCR ²	Payment Type (For specific product adjustments, refer to individual term sheets)			
	Amortizing and Partial Interest Only ³		Full-Term Interest-Only	
	Minimum Amortizing DCR	Maximum LTV ⁴	Minimum Amortizing DCR	Maximum LTV ⁴
≥ 5-Year and < 7-Year Term	1.25x	75%	1.25x	65%
7-Year Term	1.25x	80%	1.25x	65%
> 7-Year Term	1.25x	80%	1.25x	70%

¹The DCR calculated for the partial-term interest-only and full-term interest-only period uses an amortizing payment.

² Adjustments may be made depending on the property, product and/or market.

³ For partial-term interest-only loans, there must be a minimum amortization period of 2 years. All mortgages with <2 years of Amortization must meet the requirement for full-term Interest Only Mortgages.

⁴Maximum combined maturity LTV is 70% subject to adjustment for certain property and loan types.