FREDDIE MAC OPTIGO®

Flexible Tax-Exempt Loan (Float-to-Fixed)

Flex TEL has made our Tax-Exempt Loan a whole lot more flexible to meet the needs of borrowers.

A floating-rate loan—for up to three years before converting to fixed—provides lower debt service payments and the flexibility to meet unforeseen expenses that often crop up when you renovate. We increase a borrower's cash flow, without changing the size of the loan.

OUR TAX-EXEMPT LOAN JUST GOT MORE FLEXIBLE

ELIGIBLE BORROWERS	Well-qualified Targeted Affordable Housing approved Borrowers.
HOW IT WORKS	• Floating-rate period: up to three years. Interest-only, locked-out/no prepayments. No supplemental loans during floating-rate period. • Floating-rate loan is hedged with a third-party cap. • After the rehab period, the interest rate on the tax-exempt loan would convert to a fixed-rate for the remaining term of the loan (maximum total loan term up to 18 years), at which point the loan would begin to amortize. • A 10-year prepayment lock-out period begins when the TEL converts to the fixed-rate. • The TEL would be sized based on the fixed-rate, using the existing TEL credit parameters, and the floating-rate period would not create additional loan proceeds. • Refinance Test based on the fixed-rate.
DELIVERY OPTIONS	Standard delivery only; no early rate-locks or spread locks.

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.

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