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FREDDIE MAC OPTIGO®

Preservation Rehabilitation Financing

Looking to renovate an affordable multifamily property? We provide financing for the moderate rehabilitation of affordable properties with new Low-Income Housing Tax Credits (LIHTCs).

FUNDS TO RENOVATE AFFORDABLE HOUSING PROPERTIES

	Tax-Exempt Financing with 4% LIHTC	9% LIHTC Cash Loan
ELIGIBLE PROPERTIES TYPES	Garden, mid-rise, or high-rise multifamily properties with new 4% Low-Income Housing Tax Credit (LIHTC) undergoing moderate rehabilitation with tenants in place.	Garden, mid-rise, or high-rise multifamily properties with new 9% LIHTC that are undergoing moderate rehabilitation with tenants in place.
TERMS	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less; 15 years with HUD Risk Sharing. Maximum term: 35 years. Rehabilitation/stabilization period (maximum of 24 months) will be included in loan term.	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing. Maximum term: 35 years. Rehabilitation/stabilization period (maximum of 24 months) will be included in loan term.
PRODUCT DESCRIPTION	Tax-exempt financing for the moderate rehabilitation of affordable multifamily properties with a new 4% LIHTC and tenants in place.	Financing for the moderate rehabilitation of affordable multifamily properties with a new 9% LIHTC and tenants in place.
TYPE OF FUNDING	Tax-exempt financing for acquisition/ rehabilitation based on projected post-rehabilitation net operating income (NOI); cash or letter of credit collateral required to fund gap between supportable debt on current NOI and bond mortgage loan amount (collateral held until stabilization); interest-only during the rehabilitation/stabilization period.	Financing for acquisition/rehabilitation based on projected post-rehabilitation NOI; cash or letter of credit collateral required to fund 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 (DCR)[1]	• Variable rate with cap hedge: 1.20x. • Fixed rate: 1.15x.	• New tax credits: 1.15x.
MAXIMUM LOAN-TO-VALUE (LTV) RATIO[1]	• Variable rate with cap hedge: 80% of adjusted value or 85% of market value. • Fixed rate: 85% of adjusted value or 90% of market value.	• 90% of market value.
MAXIMUM AMORTIZATION	35 years.	35 years.
PREPAYMENT PROVISIONS	Fee maintenance.	Yield maintenance.