

FREDDIE MAC OPTIGO®

Manufactured Housing Community Loan

With flexible financing, competitive pricing, certainty, and speed of execution, our manufactured housing community (MHC) loans provide an affordable housing option for underserved populations, particularly in rural and non-metro areas across the country, where MHCs are an important, and sometimes only, source of affordable housing.

CUSTOMIZED LOANS FOR MANUFACTURED HOUSING COMMUNITIES

ELIGIBLE PROPERTY TYPES	Existing, stabilized, high-quality, and professionally managed manufactured housing communities (MHCs), with or without age restrictions, excluding Seniors Housing Loans.
ELIGIBLE OPTIGO LENDERS	Freddie Mac Multifamily Optigo lenders may originate or service an MHC loan – preferably with a staff that is experienced and knowledgeable in the structure, origination, and delivery of MHC loans.
ELIGIBLE BORROWERS	<p>A key principal should have two or more years of experience in operating MHCs and should own one other MHC property.</p> <p>The borrower may be a limited partnership, corporation, limited liability company, or a tenancy in common (TIC) with 10 or fewer tenants in common. General partnerships, limited liability partnerships, REITs and certain trusts may also be acceptable in limited circumstances, subject to additional requirements.</p> <p>A borrower must be a Single Purpose Entity (SPE). On loans less than \$5 million, a borrower other than a TIC may be a Single Asset Entity instead.</p> <p>If the borrower is a TIC, each TIC must be an SPE.</p>
TERMS	Up to 5-, 7-, and 10-year terms; longer term loans considered on a case-by-case basis.
AMOUNT	\$1 million or larger.
MAXIMUM AMORTIZATION	30 years.
INTEREST RATE	Fixed- or floating-rate options are available; please refer to the Fixed-Rate Loan and Floating-Rate Loan term sheets for additional information.
INTEREST ONLY	Partial-term and full-term interest-only available; see chart below and related footnotes.
PREPAYMENT PROVISIONS	Refer to the Fixed-Rate Loan and Floating-Rate Loan term sheets for additional information.
RECOURSE REQUIREMENTS	Non-recourse except for standard carve-out provisions.
SUPPLEMENTAL FINANCING	Available, subject to the Supplemental Loan offering requirements.
TAX AND INSURANCE ESCROW	Required.
REPLACEMENT RESERVE ESCROW	Minimum \$50/site/year and \$250/borrower-owned manufactured home/year (if included in the collateral).
APPLICATION FEE	Greater of \$2,000 or 0.1% of loan amount.
EARLY RATE AND SPREAD LOCK OPTIONS	Early rate and spread lock options available, typically ranging from 60 days to 120 days, including our early rate-lock and Index Lock options.
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.

For important disclosures about Lument and the information found in this term sheet [click here](#).

ADDITIONAL CONSIDERATIONS

- The property must have a minimum of five pad sites.
- The percentage of homes owned by the borrower, borrower-affiliate, or third-party investor cannot exceed 25% in aggregate.
- Homes must conform to the requirements of the Federal Manufactured Home Construction and Safety Standards Act of 1974 (HUD Code Standards).
- Private wells and septic systems are allowed with considerations.
- Leases cannot contain options to purchase pad site or borrower-owned manufactured homes.
- Retail sales or financing by borrowing entity of any manufactured homes is not allowed.
- RV campgrounds and broken condominiums are excluded.

MHC Tenant Protections

Discounted pricing and up to a \$10,000 rebate for third-party reports available to borrowers who agree to include the following MHC Tenant Protections in all homeowner leases within 12 months after loan origination:

1. One-year renewable lease term, unless there is good cause for non-renewal.
2. 30-day written notice of rent increases.
3. Five-day grace period for rent payments and the right to cure defaults on rent payments.
4. Right to sell the manufactured home to a buyer that qualifies as a new tenant in the community, without having to first relocate it out of the community.
5. Right to sell the manufactured home in place within 30 days after eviction by the community owner.
6. Right to sublease, or assign the pad site lease, for the unexpired term to the new buyer of the tenant's manufactured home without any unreasonable restraint, so long as the new buyer qualifies as a new tenant within the community.
7. Right to post "For Sale" signs that comply with community rules and regulations.
8. Right to receive at least 60 days' notice of planned sale or closure of the community.

NOTE: Any MHC Tenant Protection that violates applicable laws will be automatically void and will not affect the enforceability of any other provisions of the lease.

Fixed-Rate/Floating-Rate¹ LTV Ratios and Amortizing² DCRs

FIXED-RATE BASE CONVENTIONAL MAXIMUM LTV AND MINIMUM DCR ³	AMORTIZING	PARTIAL-TERM INTEREST-ONLY ⁴	FULL-TERM INTEREST-ONLY
ACQUISITIONS AND REFINANCES			
≥ 5-YEAR AND < 7-YEAR TERM	75% / 1.30x.	75% / 1.30x.	65% / 1.40x.
7-YEAR TERM	80% / 1.25x.	80% / 1.25x.	70% / 1.35x.
> 7-YEAR TERM	80% / 1.25x.	80% / 1.25x.	70% / 1.35x.

¹Floating-rate proceeds are calculated based on the comparable fixed note rate.

²The DCR calculated for the partial-term interest-only and full-term interest-only period used an amortizing payment.

³Adjustments may be required depending on the property, product and/or market.

⁴For partial-term interest-only loans, there must be a minimum amortization period of 5 years. Acquisition loans with a minimum of a 5-year term may have up to 1 year of partial-term interest-only. For terms of 10 years or more, loans have interest-only in an amount equal to no more than half of the loan term.