

## FREDDIE MAC OPTIGO®

# Bond Credit Enhancement with Other Affordability Components

Our Bond Credit Enhancement program provides for the preservation of the affordable housing stock with flexibility in transaction structuring and certainty of execution.

The program is for fixed-or variable-rate multifamily housing bonds including bond refundings, substitutions, or new issue transactions with 80-20 bonds, taxable bonds in combination with tax-exempt bonds, 501(c)(3) bonds, Section 8, Section 236, or tax abatements.

### CREDIT ENHANCEMENTS FROM TAX-EXEMPT BONDS

<b>ELIGIBLE PROPERTY TYPES</b>	Garden, mid-rise and high-rise multifamily properties with minimum occupancies of 90% for 90 days.
<b>TERMS</b>	10 to 30 years.
<b>ELIGIBLE TRANSACTIONS</b>	New credit enhancement facility or replacement of existing credit enhancement facility for tax-exempt bonds for refundings, substitutions and acquisitions.
<b>MAXIMUM AMORTIZATION</b>	30 years.
<b>MINIMUM DEBT COVERAGE RATIO<sup>1</sup> (DCR)</b>	<ul style="list-style-type: none"> <li>Variable-rate with cap hedge: 1.25x.</li> <li>Fixed-rate: 1.25x.</li> </ul>
<b>MAXIMUM LOAN-TO-VALUE (LTV) RATIO<sup>1</sup></b>	<ul style="list-style-type: none"> <li>Variable-rate with cap hedge: 80% of adjusted value or 85% of market value.</li> <li>Fixed-rate: 85% of adjusted value or 90% of market value.</li> </ul>
<b>PREPAYMENT PROVISIONS</b>	Fee maintenance required.
<b>SUBORDINATE DEBT</b>	Permitted.
<b>RECOURSE REQUIREMENTS</b>	Non-recourse except for standard carve-out provisions.
<b>APPRAISAL, ENVIRONMENTAL AND ENGINEERING REPORT</b>	Required.
<b>PROPERTY AND REAL ESTATE TAX ESCROW</b>	Required.
<b>FEES</b>	Application fee, commitment fee, credit facility fee, outside counsel fees, plus other fees as applicable.

<sup>1</sup>Adjustments may be made depending on the property, product, and/or market.