

FREDDIE MAC OPTIGO®

NOAH Preservation Loan

Our Naturally Occurring Affordable Housing (NOAH) Preservation Loan provides qualifying nonprofits with important underwriting flexibilities, fee reductions and rehab allowances. This gives them the competitive advantage they need to acquire the property and helps them better leverage their nonprofit status and local programs to preserve long-term affordability.

PRESERVING NATURALLY OCCURRING AFFORDABLE HOUSING

ELIGIBLE PROPERTY TYPES	Garden, mid-rise, or high-rise multifamily NOAH properties.
ELIGIBLE OPTIGO LENDERS	TAH lenders.
ELIGIBLE BORROWERS	501(c)(3) nonprofit organizations with affordable housing preservation as a stated part of its mission and a demonstrated history of successful property ownership.
MINIMUM AFFORDABILITY	At least 50% of the units must have affordable rents at 60% / 80% / 100% / 120% area median income (AMI) based on market at the time of origination.
MINIMUM EQUITY REQUIREMENTS	Nonprofit must meet at least one of the following: <ul style="list-style-type: none"> · Have an equity partner providing mission-focused equity. · Contribute 100% of the equity themselves (leveraging soft debt as necessary). · Use the Freddie Mac Impact Gap Financing offering.
LOAN TERM¹	Up to 15 years.
MAXIMUM AMORTIZATION	Up to 30 years.
MINIMUM DEBT COVERAGE RATIO (DCR)²	1.25x with 1.20x available subject to underwriting approval.
MAXIMUM LOAN-TO-VALUE (LTV) RATIO²	80% LTV.
TAX AND INSURANCE ESCROW	Required.
FEES	Application fee and Commitment fee. Servicing document review fee discounted to \$1,500 per review for items disclosed prior to origination.
PAYMENT STRUCTURE	Per Freddie Mac Commitment.
PREPAYMENT PROVISIONS	Yield Maintenance or defeasance (to be determined at quoting stages based on transaction structure).
NON-RECOURSE AND/OR GUARANTY	Per Freddie Mac Commitment.
MODERATE REHABILITATION	Subject to underwriting approval.

¹Loan terms may be up to 30 years which will be determined on a case-by-case basis.

²Underwriting parameters are maximum allowed by the program. Transactions will be screened on a deal-by-deal basis and parameters may be adjusted at the Freddie Mac Underwriting team's discretion.