For important disclosures about Lument and the information found in this term sheet **click here.**

FREDDIE MAC OPTIGO®

Q-Deals: Third-Party Loan Securitizations

RECYCLE CAPITAL AND SUPPORT AFFORDABLE HOUSING WITH NEW LENDING

SPONSOR	Small financial institutions, community banks with $10 billion or less in assets, and other well capitalized financial institutions on a case-by-case basis.
DEAL SIZE	Optimal loan pool size of at least $200 million in aggregate unpaid principal balance (UPB). Individual sponsor loan contributions can be smaller in a Multi-Sponsor Q-Deal securitization.
DEAL COLLATERAL	Taxable multifamily mortgage loans including but not limited to: • Conventional and small balance loans. • Loans secured by properties with 9% Low-Income Housing Tax Credits (LIHTC) or Land Use Restrictive Agreements (LURAs). • Rehab loans for properties with renters that qualify at 60% or 80% area median income.
FREDDIE MAC GUARANTEE	Q Series Certificates are liquid securities which benefit from Freddie Mac guarantee. Freddie Mac guarantees the timely payment of interest and ultimate payment of principal on the guaranteed senior certificates.
SERVICING	Freddie Mac (or Freddie Mac-approved third party) will act as the Master Servicer. With Freddie Mac approval, sponsors may retain subservicing of the loans.
REPS AND WARRANTIES	Sponsors must provide loan-level representations and warranties to the securitization trust.
COLLATERAL DUE DILIGENCE	Freddie Mac will be entitled to conduct a full underwriting and due diligence review of all the loans, including interior and exterior physical inspections, borrower and guarantor credit, property financials and rent rolls, environmental, compliance, valuation, and collateral files and servicing files. Freddie Mac will determine which loans will be securitized based on its review.

WE OFFER SEVERAL CUSTOMIZABLE STRUCTURES

The Sponsor sells loans from their balance sheet in exchange for Certificates via the following structures:

Senior and Subordinate (A/B) Structure

Senior, guaranteed certificates (Class A) with subordinate certificates (Class B) are issued by the trust.

The Class B certificate can be retained by the sponsor or sold to an approved third-party investor.

100% Guarantee with Reimbursement Structure

Only guaranteed certificates are issued by the trust. Sponsor retains a first-loss position through a reimbursement obligation.

A reimbursement agreement between sponsor and Freddie Mac is required for any losses up to a certain percentage of the pool's UPB. This may be secured via a letter of credit, cash or pledged securities (rated and marked to market).

Multi-Sponsor Q (A/B Structure Only)

Qualified pools of the similar collateral from multiple sponsors will be sold into a single third-party securitization trust.

Single senior, guaranteed certificates (Class A) with one or more subordinate certificates (Class B).

The Class B certificate can be retained by the sponsor or sold to a third-party investor.