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

FREDDIE MAC OPTIGO®
Tax-Exempt Securitization

LIQUIDITY FOR INVESTORS, ORIGINATORS AND HOLDERS OF TAX-EXEMPT COLLATERAL

SPONSOR	Small financial institutions, community banks, investment vehicles, Community Development Financial Institutions, Housing Finance Agencies, aggregators of tax-exempt collateral.
DEAL SIZE	Optimal loan pool size of at least $150 million in aggregate UPB.
DEAL COLLATERAL	Tax-exempt collateral backed by multifamily housing: • M-deals collateralized by tax-exempt bonds • ML-deals collateralized by tax-exempt loans
SERVICING	Freddie Mac (or Freddie Mac-approved third party) will be the Master Servicer. With Freddie Mac approval, the sponsor may retain subservicing of loans.
REPS AND WARRANTIES	The sponsor will be required to provide 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/bonds, 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/bonds will be securitized based on its review.

FREDDIE MAC OFFERS SEVERAL CUSTOMIZABLE STRUCTURES

The sponsor transfers loans from the balance sheet in exchange for certificates via the following structures:

M- and ML-Deals:

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.

M- and ML-Deals:

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).

ML-Deals:

Multi-Sponsor ML (A/B Structure Only)

Qualified pools of 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 certificates can be retained by the sponsor or sold to a third-party investor.