FREDDIE MAC OPTIGO®

Tenant Advancement Commitment

DOUBLE BOTTOM LINE FINANCING

PRODUCT DESCRIPTION	• Tenant Advancement Commitments offer favorable pricing and credit terms for Borrowers who agree to create or preserve affordable rent levels on a portion of units at a property over the term of the loan. • Borrowers will be evaluated for a Master Financing Commitment based on the Sponsor's percentage and level of setaside unit affordability. • For naturally affordable markets/submarkets, Borrower-provided resident social services may also be required. Services may include after school tutoring, ESL classes, career counseling, access to health services, etc.
COMMITMENT SIZE	Minimum aggregate Commitment of $100 million for loans originated during the commitment term.
COMMITMENT TERM	12 months.
LOAN TERMS	• Fixed- and floating-rate loans. • 7-year minimum loan term. • Attractive proceeds sizing and interest-only may be available. • Loans will receive full mission pricing benefits. • Loans originated under the commitment are not cross-collateralized or cross-defaulted.
ASSETS	• Assets do not need to be identified when the Commitment is originated. • Each asset will be fully underwritten before adding to the Commitment; spread and availability of credit terms will be confirmed for each loan.
PARC REQUIREMENTS	• Through the Preservation of Affordable Rent Covenant (PARC), Borrowers agree to limit rents on a portion of units in the property (Minimum Set-Aside Units) to 60%-80% AMI affordability levels. • Rent affordability is calculated as annual rental rates that are no more than 30% of 60% AMI to 80% AMI or below, with adjustment for unit size. The restrictions apply to the unit rental rates and not the tenant incomes. • Affordability of rents will be tested on an annual basis. • Borrower must be in compliance with affordability requirements as of the first anniversary of the loan origination date. • If a property is not in compliance with the affordability requirements, a noncompliance fee will remain in effect for a minimum of 6 months and until the property has re-achieved compliance.