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

# FREDDIE MAC OPTIGO®

# Transitional Line of Credit

## REAL ESTATE-SECURED LINE OF CREDIT TAILORED TO MEET YOUR SPECIFIC NEEDS

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| **TERMS** | • 3- or 5-year interest only.<br>• Two conditional 1-year extension options. |
| **COMMITMENT AMOUNT** | • $100 million preferred minimum.<br>• Up to 50% of initial commitment amount in expansion rights. |
| **BORROWERS** | Seasoned and well-capitalized multifamily owner/operators with strong credit performance; preferably with prior credit facility borrowing experience. |
| **GUARANTOR FINANCIAL COVENANTS** | 10% liquidity and 30% net worth. |
| **INTEREST RATE TYPE** | Floating rate. |
| **COLLATERAL** | First-lien mortgages of mission-based workforce housing. |
| **CROSSED TLC** | • LTV/DSCR sublimits measured at the TLC level with no limits at the property level.<br>• No minimum occupancy requirement. |
| **UNCROSSED TLC** | • Each property is evaluated individually and must meet the sublimit requirements individually.<br>• No minimum occupancy requirement. |
| **TYPICAL LOAN-TO-VALUE (LTV) RATIO RANGE** | 50% – 75%. |
| **MINIMUM INTEREST-ONLY DEBT SERVICE COVERAGE RATIO (DSCR; FULL-TERM INTEREST ONLY)** | Minimum DSCR varies by product type:<br>• Conventional multifamily: 1.45x<br>• Manufactured housing communities: 1.45x-1.50x<br>• TAH: 1.40x*<br>• Uncrossed pools adder: +0.10x<br>*Subject to Freddie Mac review/approval |
| **UNDERWRITING RATE (FOR MOST MARKETS)** | • Without interest rate cap: index floor + stress rate (100 bps) + gross spread.<br>• With interest rate cap: cap strike rate + gross spread. |
| **INTEREST RATE CAPS** | Third-party caps are recommended. |
| **COMMITMENT FEE AND PROPERTY ADDITION FEE** | • Commitment fee: 5 bps.<br>• Property Addition fee: 10 bps. |
| **EXTENSION FEE** | $50,000 for each extension year. |
| **UNUSED COMMITMENT FEE** | 20 bps charged annually on the difference between the commitment amount and unpaid principal balance drawn. |
| **SEASONING FEE** | 50 bps charged annually (paid monthly) at the asset level beginning in the fourth year the asset is in the TLC. |

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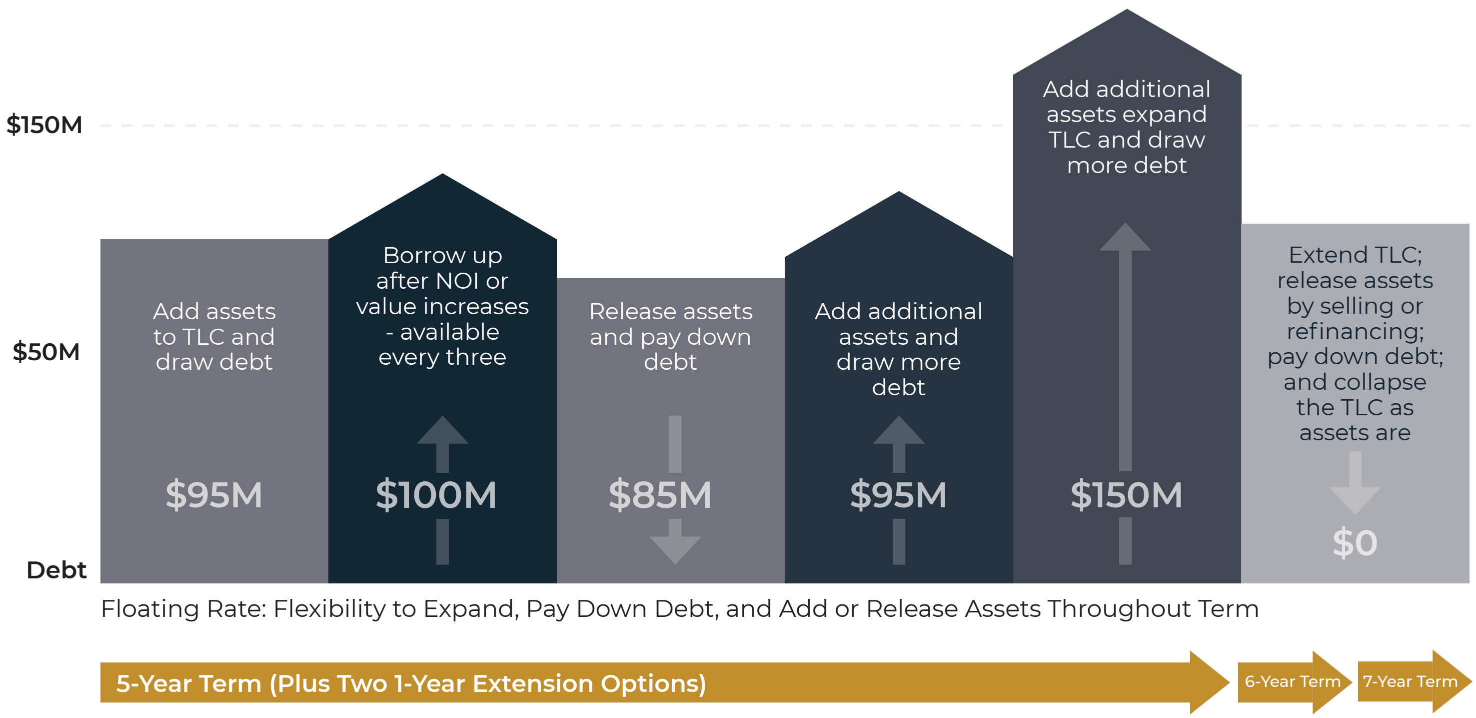
| **ASSET RELEASE FEE/EARLY TERMINATION FEE** | Securitized Product Exit | • No release fee.<br>• If exit into floating-rate securitized product, increased call protection may be required on new Freddie Mac securitized loan. |
| | Property Sale | 1% of the allocated loan amount; waived if new buyer finances with a Freddie Mac securitized product. |
| | All Other Exits | • Years 1 to 3 of TLC: 2% of the allocated loan amount.<br>• After Year 3 of TLC: 1% of the allocated loan amount. |

## THE STRUCTURE: BUILD IT YOUR WAY

The borrower is using the TLC to grow its portfolio and chooses a $100 million TLC with a $50 million expansion option.




**Lock Your Spreads for 5 Years**
The TLC lets you lock credit terms and spreads prior to identifying properties.

**Borrow Up**
With improved NOI or value, you may borrow up for additional proceeds at first-mortgage pricing.

**Assets Can Be Released without an Asset Release Fee**
When property is refinanced with a Freddie Mac Multifamily securitized product.

**No Substitution Requirements**
Add or release assets without having to substitute assets.

**Expand the TLC**
The TLC allows you to expand your debt as needed.

**No Need to Identify Maturities Upfront**
Partially contract the TLC upon assets' exit.