Freddie Mac Lease-Up Loan

G R E Y S T Q N E



Description

For refinancing or acquiring newly constructed properties

Eligibility

Borrowers must have experience with new construction and / or lease-up properties, and generally have strong financial capacity and real estate management expertise with good performance and credit history

Eligible Property Types

- Well-constructed properties, exhibiting strong lease-up trends, and located in good locations and markets
- Student housing, seniors housing and manufactured housing community transactions are not eligible
- Stabilization expected within 12 months of funding

Loan Types

- Fixed- and floating-rate loans
- Interest-only (I/O) available during the lease-up period

Markets

Targeting strong markets and locations

LTV and DSCR

- Maximum LTV on refinance is 75% (as-stabilized) and on an acquisition 70% (as-stabilized)
- Minimum DSCR on a refinance and acquisition is 1.30x

Minimum Cash Equity Requirement

15% on a refinance and 25% on an acquisition

Minimum Credit Enhancement Requirements

- A Lease-Up Credit Enhancement is required for all Lease-Up transactions
- The form of the Lease-Up Credit Enhancement will be determined by Freddie Mac
- The Lease-Up Credit Enhancement must be at least 5% of the unpaid principal balance (10% if the Lease-Up Credit Enhancement is a guaranty, subject to additional conditions)
- Release of Lease-Up Credit Enhancement will occur once the property has achieved the required amortizing DCR based on average performance of the past 3 months, net rental income for the past 1 month meets or exceeds the level necessary to reach the required amortizing DCR, and has met other standard conditions as set forth by Freddie Mac
- If the required DCR is not reached within 12 months, the Lease-Up Credit. Enhancement will be used to resize the loan and recast the payments.

Freddie Mac Lease-Up Loan

G R E Y S T Q N E

At Rate Lock

- 50% occupied
- 60% leased
- 60% or more Certificates of Occupancy issued

At Closing

- 1.05x IO DSCR on a refinance; 1.00x IO DSCR on an acquisition
- 65% occupied
- 75% leased
- 100% of Certificates of Occupancy issued

At Stabilization

- Minimum 90% occupied
- 1.25x amortizing DSCR for 3 consecutive months

Appraisal Report

The appraisal report must provide the as-is and as-stabilized values for the property

Premier Sponsors and Markets

Additional flexibility available on a case-by-case basis through an assessment of the sponsor and market as determined by Freddie Mac

© 2024 Greystone & Co. II LLC. All rights reserved. References to the term "Greystone," refer to Greystone & Co. II LLC and/or its affiliated companies, as applicable. Loans are offered through Greystone Funding Company LLC, Greystone Servicing Company LLC, and/or other Greystone affiliated companies. The information contained herein does not set forth all of the terms and conditions of any interim or permanent financing. The information contained herein is subject to change and Greystone assumes no duty to update such information. Any commitment by Greystone is contingent upon the completion of due diligence and approval by Greystone's credit committee. 0424