

# Freddie Mac Targeted Affordable Housing Preservation Loan

GREYSTONE



## Description

Permanent financing for the acquisition or refinance of stabilized affordable multifamily properties

## Affordability Requirements

Low-income qualifying restrictions; 20% or more units rented to families earning at or below 50% of Area Median Income (AMI), or 40% or more units rented to families earning at or below 60% of AMI; however, other affordability types will be considered

## Loan Amount

Minimum \$3M

## Loan Term

5 to 35 years

## Amortization

Up to 30 years

## Loan-to-Value Maximum

80% of market value

## Debt Service Coverage

- 1.25x
- Cash-out Refinance: 1.30x

## Borrower

The Borrower must be a domestic single asset borrowing entity and single purpose entity (SPE)

## Interest Rate

Risk-based pricing, varying with LTV, DSC ratios and cash out components

## Prepayment

Yield Maintenance or Defeasance

## Third Party Reports

MAI appraisal, Physical Needs Assessment, Environmental Phase I, Zoning, and Moisture Management reports are required; Seismic Report may be required for properties in Seismic Zones 3 and 4

## Reserves

Tax and insurance escrows are required per the TAH Guide; Funded Repair and Replacement escrow is required based on engineer's Physical Needs Assessment; For Loans at less than 70% of value with no deferred maintenance, funding of repair and replacement reserve can be waived, with Freddie Mac approval

## Application and Due Diligence Fees

- \$2,500 non-refundable Application Fee to cover internal underwriting costs;
- \$12,500 Due Diligence Fee to cover third party reporting and the greater of
- \$3,000 or 0.1% to Freddie Mac as a non-refundable Application Fee

## Origination Fee

Minimum origination fees will vary depending on the loan characteristics

## Legal Fees

Estimated at \$10,000 to \$15,000 varying with characteristics of the deal

## Timing

60 days from application to commitment, dependent on 3rd party report timing and Borrower's submission of due diligence

## Rate Lock

Rate lock occurs after commitment is issued;

## Assumability

Loan is assumable, subject to Freddie Mac and Servicer approval of the proposed replacement Borrower; Fees include one percent assumption fee, part of which is paid to Freddie Mac, and a processing fee to cover underwriting expenses to Freddie Mac and the Servicer