

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 \$3 million

Loan Term

7 to 30 years

Amortization

Up to 30 years

Loan-to-Value Maximum

80% of market value; 90% of market value with HUD Risk Sharing Loan-to-Value

Debt Service Coverage

- 1.25x (1.15x with HUD Risk Sharing)
- Cash-out Refinance: 1.30x (1.20x with HUD Risk Sharing)

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

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