

FREDDIE MAC FLOATING-RATE LOAN

- Ideal for multifamily mortgage borrowers who want to take advantage of lower short-term rates with prepayment flexibility
- Offers, in most cases, a streamlined, yet still flexible, financing solution at our lowest, more competitive price
- Borrowers can choose from several options to suit their loan characteristics and needs, including a variety of interest rate cap coverage and prepayment provision options
- Updated and simplified our floating-rate sizing methodology, using the actual 7-year and 10-year fixed-note rate

EARLY SPREAD LOCK OPTION	Early spread lock option available for varying durations, typically ranging from 60 to 120 days from spread lock until Freddie Mac purchase; Sellers should consult with their regional Freddie Mac representative to determine eligibility
LOAN TERMS	5-, 7-, and 10-year terms
INTEREST-ONLY PERIOD	Partial-term and full-term interest-only available; see chart below and related footnotes
INTEREST RATE CAP	Expanded the number of cap options available. Borrower may obtain its own cap coverage from a third-party provider (see our Approved Counterparties List for a list of approved providers, which we have increased); see the Interest-Rate Cap Options for Floating-Rate Cash Loans with a 7-Year Term example. No cap necessary for loans with a loan-to-value ratio of less than 60%.
MAXIMUM AMORTIZATION	30 years
AMORTIZATION CALCULATIONS	Actual/360
LOCKOUT PERIOD	Typically 1 to 2 years followed by a fixed prepayment premium
PREPAYMENT PROVISIONS	Four prepayment options available (see chart below) with no premium for final 90 days; other options are available for loans that are not intended to be securitized. Borrowers should contact a Freddie Mac Multifamily Seller/Servicer for more information; Freddie Mac Sellers should contact their Freddie Mac representative.
TAX & INSURANCE ESCROW	Generally required
REPLACEMENT RESERVE DEPOSIT	Generally required
RECOURSE REQUIREMENTS	Non-recourse except for standard carve-out provisions
SUPPLEMENTAL LOAN AVAILABILITY	Yes, subject to requirements specified in the Loan Agreement

ELIGIBILITY

- Standard multifamily housing, purpose-built student housing, seniors housing, and Targeted Affordable Housing cash (e.g., LIHTC Year 4-10 and 11-15, Section 8) loans; conventional structured transactions. Floating-rate loans are not available for cooperative housing.
- Borrower may generally be a limited partnership, corporation, limited liability company, or a tenancy-in-common (TIC) with 10 or fewer tenants in common.
- General partnerships, limited liability partnerships, REITs and certain trusts may also be acceptable in limited circumstances, subject to additional requirements.
- Borrower must generally be a Single Purpose Entity (SPE) (see Section 6.13 of the Loan Agreement for basic SPE requirements); however, on loans less than \$5 million, upon borrower's request, a borrower other than a TIC may be a Single Asset Entity (SAE) instead of an SPE.
- If the borrower is structured as a Tenancy In Common (TIC), each Tenant in Common must be an SPE.
- Loan Amounts: Generally \$5 to \$100 million (smaller and larger loans will be considered)

FREDDIE MAC FLOATING-RATE LOAN CONT'D.

SUPPLEMENTAL LOAN AVAILABILITY	Yes, subject to requirements specified in the Loan Agreement
APPLICATION FEE	Greater of \$2,000 or 0.1% of loan amount
REFINANCE TEST	No Refinance Test is necessary if the loan has an amortizing debt coverage ratio (DCR) of 1.40x or greater and a loan-to-value (LTV) ratio of 65% or less; all partial-term interest-only loans must pass the Refinance Test
GREEN REBATE	Freddie Mac will provide borrowers with a \$5,000 cash rebate - for every property with more than 20 units they enter into the Energy Star Portfolio Manager®, the EPA's online tool to track energy usage. As long as borrowers provide us a property score, they'll get the rebate - no matter what the actual score; learn how to get cash back and get additional details in our Green Rebate term sheet.

PREPAYMENT PROVISIONS¹

You can choose from four prepayment provisions when structuring Freddie Mac standard, capped, or uncapped floating-rate loans. Each option offers no prepayment premium for the last 90 days of the loan term.

PREPAYMENT PREMIUM	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
OPTION 1	Locked out	1%	1%	1%	1%	1%	1%	1%	1%
OPTION 2	3%	2%	1%	1%	1%	1%	1%	1%	1%
OPTION 3	5%	4%	3%	2%	1%	1%	1%	1%	1%
OPTION 4 (ONLY FOR 10-YEAR CAPPED FLOATING-RATE LOAN)	7%	6%	5%	4%	3%	2%	1%	1%	

LOAN-TO-VALUE (LTV) RATIOS AND AMORTIZING² DEBT COVERAGE RATIOS (DCRs)

(For specific product adjustments, refer to individual term sheets)

FLOATING-RATE BASE CONVENTIONAL MAXIMUM LTV AND MINIMUM DCR ³		AMORTIZING	PARTIAL-TERM INTEREST-ONLY ⁴	FULL-TERM INTEREST-ONLY
	≥ 5-YEAR AND < 7-YEAR TERM		75% / 1.30x	75% / 1.30x
7-YEAR TERM		80% / 1.25x	80% / 1.25x	70% / 1.35x
> 7-YEAR TERM		80% / 1.25x	80% / 1.25x	70% / 1.35x

¹ Other options are available for loans that are not intended to be securitized. Borrowers should contact a Freddie Mac Multifamily Seller/Servicer for more information; Freddie Mac Sellers should contact their Freddie Mac representative.

² The DCR calculated for the partial-term interest-only and full-term interest-only period uses an amortizing payment at the comparable fixed note rate.

³ Adjustments may be made depending on the property, product, and/or market.

⁴ For partial term interest-only loans, there must be a minimum amortization period of 5 years for loans with terms greater than 5 years. Acquisition loans with 5-year terms may have up to 1 year of partial-term interest-only. For terms of 10 years or more, loans may have interest only in an amount equal to no more than half of the loan term.