

Flexible **Funds** for Flexible **Needs**



Compelling Reasons

To choose the Revolving Credit Facility

Success in managing multifamily property portfolios depends on having the right funding — **attractive spreads**, highly customizable terms and **certainty of execution**. That's why Freddie Mac Multifamily created the **Revolving Credit Facility**.

Our Revolving Credit Facility is a highly flexible, **non-recourse**, 5-year **interest-only** real estate secured line of credit tailored to meet your specific needs, from short-term repositioning of transitional assets to portfolio acquisitions.

The facility lets you **lock in credit and pricing terms before identifying properties** and then, once locked, spreads remain set for the life of the facility. The facility allows you to borrow-up, extend up to two additional years and expand your debt as needed.

Plus, the facility offers options to **accommodate assets with or without common ownership**, allowing for different equity structures.

Unique Benefits

What sets us apart

- **A borrower can move assets in and out** of the facility without having to substitute assets
- **Asset types can be comingled** within the same facility
- **No interest rate cap** is required
- Every six months the borrower may **borrow-up for additional proceeds at first-mortgage-rate pricing**
- With a cross-collateralized and cross-defaulted facility, **stronger assets can carry weaker ones** with no maximum LTV, minimum DSCR, or occupancy requirements at the property level
- **Assets can be released without an asset release fee** when a borrower refinances with a Freddie Mac securitized product
- **No common ownership is required**, and a borrower may be either a Single Asset Entity or a Single Purpose Entity

People Are Talking...

"This is an incredibly useful tool for our clients who need to manage their leverage points as they grow their portfolios. Having the ability to access trapped equity without refinancing is very useful as is the ability to pay down to target leverage levels once equity is raised. There is nothing else in the market as flexible with a seamless exit through a securitized loan execution. This facility is a game changer."

– **Chris Black**
KeyBank (Seller/Service)

"Freddie Mac proved to be a terrific capital partner on this transaction. They worked proactively with us every step of the way, and in particular, Freddie Mac provided excellent marketing assistance in helping Hunt Mortgage Group educate our client on the benefits of a structured transaction. This was the first structured transaction completed by our client."

– **Bill Hyman**
Hunt Mortgage Group
(Seller/Service)

"HFF closed three credit facilities for Abacus Capital Group because of Freddie's ability to customize a structure that accommodates our client's business needs. Freddie's committed capital mitigates the risk from a potential disruption in the capital markets, and enables Abacus to acquire assets when other buyers may not be able to access adequate acquisition financing."

– **Mona Carlton**
HFF (Seller/Service)

"Our structured credit facility provides an advantage as we continue to grow our portfolio in the highly competitive acquisition environment. The standardization of the loan documents at the establishment of the facility, coupled with the speed and flexibility of the underwriting process allows us to close on acquisitions much more quickly than we can with conventional agency products, often making us a more attractive buyer than our competition."

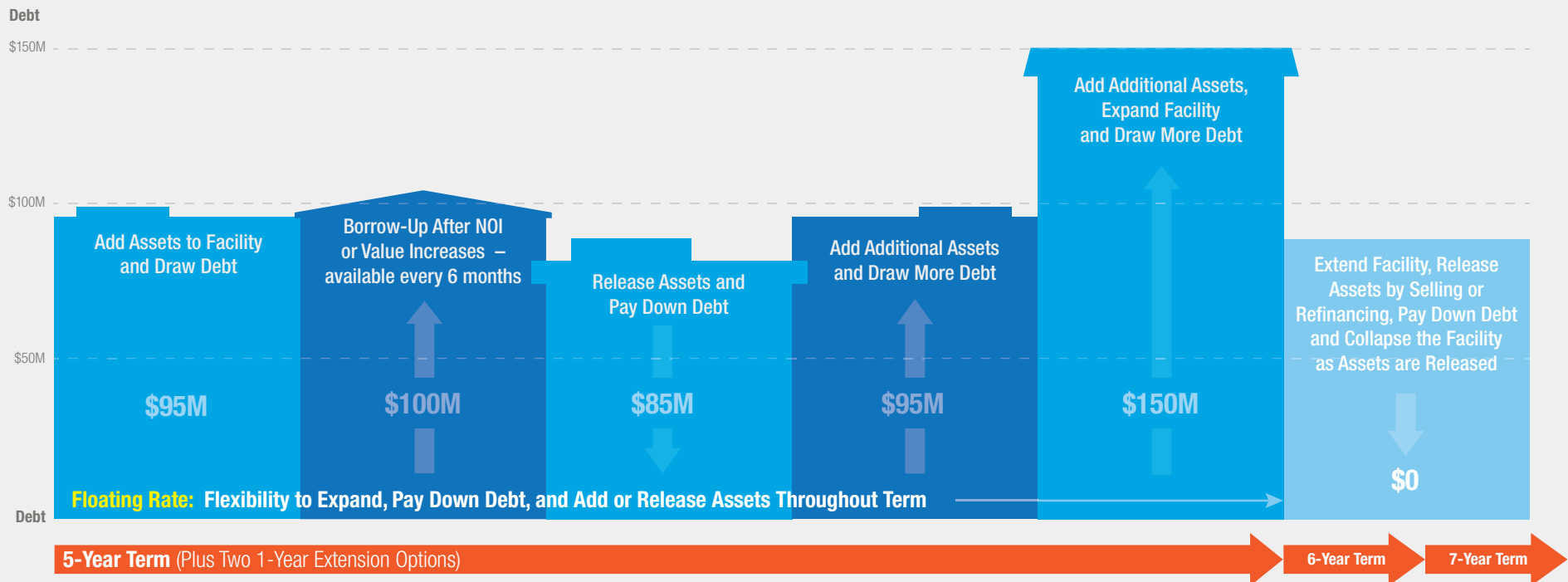
– **Kevin Roach**
ROCO Real Estate (Borrower)

The Structure

Build it your way

Here's an example of how Freddie Mac's Revolving Credit Facility can work.

The borrower is using the facility to grow its portfolio and chooses a \$100 million Revolving Credit Facility with a \$50 million expansion option.



Lock Your Spreads for 5 Years

The Revolving Credit Facility 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 the property is refinanced with a Freddie Mac Multifamily securitized product



No Substitution Requirements

Add or release assets *without* having to substitute assets



Expand the Facility

The facility allows you to expand your debt as needed



No Need to Identify Maturities Up Front

Partially contract the facility upon assets' exit



Freddie Mac

Offers better options

When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our Sellers to tackle complicated transactions, provide certainty of execution and fund quickly. Contact your Freddie Mac Multifamily representative today — we're here to help.

Borrowers Who Want to Know More

Contact one of our approved Seller/Service providers at
mf.freddiemac.com/borrowers/



Our Experts

Guide you through the process

Our people are the best in multifamily property funding, hands down! The Structured Transactions Production Team is constantly pushing to create the new, overcome the hurdles and deliver flexible terms with competitive pricing to meet a borrower's unique needs.



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Flexible Terms

For your portfolio strategy

Standard Terms

Term	<ul style="list-style-type: none"> 5-year interest-only Two 1-year extension options
Commitment Amount	<ul style="list-style-type: none"> \$100 million preferred minimum Up to 50% of initial commitment amount in expansion rights
Guarantor Financial Covenants	Net worth and liquidity requirements set relative to the facility
Interest Rate Type	Floating
Collateral	First-lien mortgages of Conventional, Seniors Housing, Student Housing, Targeted Affordable Housing (TAH) and Manufactured Housing Communities (MHC)
Crossed Facility	<ul style="list-style-type: none"> LTV/DSCR sublimits measured at the facility level with no limits at the property level No minimum occupancy requirement
Uncrossed Facility	<ul style="list-style-type: none"> Each property is evaluated individually and must meet the sublimit requirements individually No minimum occupancy requirement
Typical LTV Range	55% – 70%
Minimum DSCR	Minimum DSCR varies by product type: <ul style="list-style-type: none"> Conventional multifamily: 1.45x Manufactured housing communities: 1.50x Seniors assisted living: 1.60x Seniors independent living: 1.50x Seniors with skilled nursing facility: 1.65x Student housing: 1.50x TAH: 1.40x Uncrossed pools: +0.10
Underwriting Rate (for most markets)	Index floor (150 bps) + stress rate (100 bps) + gross spread
Interest Rate Caps	Not required

Freddie Mac Fees

Legal Deposit	Based on deal complexity, typically \$45,000	
Commitment Fee and Property Addition Fee	<ul style="list-style-type: none"> Commitment fee: 5 basis points Addition fee: 10 basis points 	
Extension Fee	\$50,000 for each extension year	
Unused Commitment Fee	20 basis points charged annually on the difference between the commitment amount and UPB drawn	
Seasoning Fee	50 basis points charged annually at the asset level beginning in the fourth year the asset is in the facility	
Asset Release Fee	SECURITIZED PRODUCT EXIT	No release fee
	PROPERTY SALE	1% of the allocated loan amount; waived if new buyer finances with a Freddie Mac securitized product
	ALL OTHER EXITS	<ul style="list-style-type: none"> Years 1 to 3 of facility: 2% of the allocated loan amount After year 3 of facility: 1% of the allocated loan amount

The information in this document is not a replacement or substitute for information found in the *Freddie Mac Multifamily Seller/Service Guide*. Terms set forth herein are subject to change without notice.