

Freddie Mac Tax-Exempt Loan ("TEL")

Tyler Probst
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Freddie Mac TEL

	Immediate Funding	Unfunded Forward
Types of Transactions	Moderate Rehabs	New Construction/Substantial Rehabs
Forward Period	N/A	24-36 months; extensions available
Loan Term	Up to 30 years	Up to 30 years
Maximum Amortization	35 years, will consider 40 years	35 years, will consider 40 years
Prepayment	10 year lockout; yield maintenance until 6 months prior to maturity	10 year lockout; yield maintenance until 6 months prior to maturity
Minimum DSC	1.15x	1.15x
Maximum LTV	90%	90%
Volume Closed – Calendar 2021	\$500MM	\$1.3B Initial / \$500MM Converted

Case Study – Freddie Mac Forward TEL



- 15-story new build of 139 affordable units in Washington, DC
 - 75 units will be subsidized through a District of Columbia LRSP Contract
 - The unsubsidized units will have deeply affordable rents
- Unique underwriting structure
- High construction costs
- Tight closing deadline

Case Study – Freddie Mac Forward TEL



- Two Freddie Mac Notes
 - Note 1
 - Sized based on an NOI with market rents
 - 17 Year Term / 40 Year Amortization
 - Note 2
 - Sized based on the LRSP rent overhang to market rents
 - 15 Year Term / 15 Year Amortization
- Loan constrained at a 1.10x DSC on a combined basis

Case Study – Freddie Mac Forward TEL

Sources of Funds

Construction Loan	\$33,174,210
Freddie Mac TEL	16,918,000
Tax Credit Equity	20,190,000
Sponsor Loan	6,393,028
DHCD Subordinate Loans	20,093,800
Deferred Developer Fee	<u>3,518,308</u>
Total	<u>\$100,287,346</u>

Uses of Funds

Construction Loan Payoff	\$33,174,210
Acquisition Costs	7,544,000
Development Costs	50,127,908
Tax Credit & Syndication Costs	220,520
Reserves & Escrows	1,915,604
Developer Fee	<u>7,305,104</u>
Total	<u>\$100,287,346</u>

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