

Freddie Mac | Multifamily Affordable

Refinance Loan for LIHTC Transaction

info@richmacfunding.com | www.richmacfunding.com



QUALIFIED PROPERTIES	Affordable multifamily properties with at least seven years remaining in the 10-year LIHTC period
LOAN AMOUNT	The maximum supportable loan is limited by the lesser of: a) An amount that meets the Loan to Value (LTV) threshold of 90% b) An amount that meets the Debt Service Coverage (DSC) threshold of 1.15x (may vary based on Borrower cash-out and HUD Risk Sharing)
TERM	Typically 10-30 years; shorter terms may be available
AMORTIZATION	Up to 30 years
PREPAYMENT	Defeasance or yield maintenance
ASSUMPTION	Loan is assumable, subject to Lender approval and a transfer fee
INTEREST RATE STRUCTURE	Risk-based pricing varying per the loan terms; fixed rate and variable rate options are available.
RATE LOCK	Typically, rate lock occurs after loan commitment is issued; early rate lock option is available within 3-4 weeks of application
PERSONAL LIABILITY	Non-recourse with standard carve-outs for "bad acts"
SECONDARY FINANCING	Permitted under certain conditions
SUPPLEMENTAL FINANCING	Fannie Mae supplemental financing is available after first year subject to certain conditions
ESCROWS AND RESERVES	✓ Taxes and insurance are escrowed monthly ✓ Replacement reserve is required and the monthly deposit amount is determined in accordance with the Physical Needs Assessment and Fannie Mae guidelines
THIRD PARTY REPORTS	Appraisal, Phase I Environmental Report, Physical Needs Assessment, Zoning, and Moisture Management reports are required; a Seismic Report may be required for properties in Seismic Zones 3 and 4
APPLICATION FEE	Covers third party reports and processing/underwriting costs
FINANCING FEE	Earned at borrower's acceptance of loan commitment and payable at closing
TIMELINE	75-90 days; depends upon timing of third party reports and borrower's submission of due diligence
