

FREDDIE MAC TARGETED AFFORDABLE



**Mortgage
Company**
A COOPERATIVE OF IMPACT-DRIVEN
NONPROFIT LENDERS AND INVESTORS

Bond Credit Enhancement with 4% LIHTC

Funds Provided by Tax-Exempt Bond Proceeds

CPC Mortgage Company offers Freddie Mac's Bond Credit Enhancement with 4% Low-Income Housing Tax Credits (LIHTC) for the preservation of affordable housing. This product features flexibility in transaction structuring and certainty of execution at a lower cost to the customer.

Get the financing you need for affordable multifamily properties funded by the sale of fixed-or variable-rate tax-exempt bonds that have received LIHTC — whether it's for new construction, a moderate or major rehabilitation, or the acquisition or refinancing of stabilized properties.

CPC is a longtime Freddie Mac partner and an approved Optigo lender for this Freddie Mac Targeted Affordable Housing product.

Product Highlights

- Forward commitment to provide bond credit enhancement post-construction or substantial rehab
- Immediate funding for acquisition, refinancing, or credit substitution
- Preservation rehabilitation for properties with tenants in place
- Deals with new 4% or 9% LIHTC may be underwritten to a minimum of 1.15x debt coverage ratio (DCR)
- We support eligible mixed-use properties

	Forward Commitment	Immediate Funding	Preservation Rehabilitation
Eligible Property Types	To-be-built or substantially rehabilitated garden, mid-rise, or high-rise multifamily properties with 4% LIHTC	Garden, mid-rise, or high-rise multifamily properties with 4% LIHTC that maintain 90% occupancy for 90 days	Garden, mid-rise, or high-rise multifamily properties with 4% LIHTC undergoing moderate rehabilitation with tenants in place
Terms	<p>Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less</p> <p>Maximum term: 35 years</p>	<p>Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less</p> <p>Maximum term: 35 years</p>	<p>Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less</p> <p>Maximum term: 35 years Rehabilitation/stabilization period (at a maximum of 24 months) will be included in loan term</p>
Product Description	Bond credit enhancement for new construction or substantial rehabilitation of affordable multifamily properties with 4% LIHTC	Bond credit enhancement for the acquisition or refinance of stabilized affordable multifamily properties with 4% LIHTC with at least 7 years remaining in the LIHTC compliance period	Bond credit enhancement provided for the moderate rehabilitation of affordable multifamily properties with new 4% LIHTC and tenants in place
Type of Funding	<p>Bond credit enhancement available during construction phase (funded forward); letter of credit collateral required during construction phase; bond credit enhancement during permanent phase following successful conversion</p> <p>Forward commitment to provide bond credit enhancement upon successful conversion from construction phase to permanent phase (unfunded forward)</p>	Bond credit enhancement for fixed- or variable-rate tax-exempt bonds	Bond credit enhancement for acquisition/rehabilitation based on projected post-rehab net operating income (NOI); cash or letter of credit collateral required to fund gap between supportable debt on current NOI and bond mortgage loan amount (collateral held until stabilization); interest only available during the rehabilitation/stabilization period

	Forward Commitment	Immediate Funding	Preservation Rehabilitation
Minimum Debt Coverage Ratio (DCR)²	Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x	Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x	Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x
Maximum Loan-to-Value (LTV) Ratio²	<ul style="list-style-type: none"> — Variable-rate with cap hedge: 80% of adjusted value or 85% of market value — Fixed-rate: 85% of adjusted value or 90% of market value 	<ul style="list-style-type: none"> — Variable-rate with cap hedge: 80% of adjusted value or 85% of market value — Fixed-rate: 85% of adjusted value or 90% of market value 	<ul style="list-style-type: none"> — Variable-rate with cap hedge: 80% of adjusted value or 85% of market value — Fixed-rate: 85% of adjusted value or 90% of market value
Construction Loan Term	Maximum forward commitment term: 36 months plus a free 6-month extension during construction period	N/A	N/A
Maximum Amortization	35 Years	35 Years	35 Years
Prepayment Provisions	Fee maintenance	Fee maintenance	Fee maintenance
Subordinate Financing	Permitted	Permitted	Permitted
Tax and Insurance Escrows	Required	Required	Required
Fees	Application fee, commitment fee, credit facility fee, plus other fees as applicable	Application fee, commitment fee, credit facility fee, plus other fees as applicable	Application fee, commitment fee, credit facility fee, plus other fees as applicable

¹ May include bond refunding, substitution, or new issue transactions with 80-20 bonds, taxable bonds in combination with tax-exempt bonds, 501(c)(3) bonds, Section 8, Section 236, tax abatements and LIHTC.

² Adjustments may be made depending on the property, product and/or market.

About CPC Mortgage Company

A first of its kind cooperative of impact-driven, nonprofit mortgage lenders and investors, CPC Mortgage Company brings together the unique expertise of managing member The Community Preservation Corporation and cooperative owners Cinnaire and National Equity Fund. This innovative model leverages the best in class execution, commitment to service, transparency and reach of three nonprofit lenders, with the shared goal of expanding and preserving affordable and workforce housing.

For more information, visit us at community.com/mortgagecompany.

CPC Mortgage Company, in its sole discretion, may, at any time and without prior notice, terminate the loan program, amend or waive compliance with any terms, or reject any or all proposals for funding. Feb., 2023