SMALL BALANCE LOANS

cinnaire ADVANCING COMMUNITIES

CPC Mortgage Company
A PARTNERSHIP OF IMPACT-DRIVEN NONPROFIT LENDERS AND INVESTORS

Fast, Flexible and Cost-Effective

CPC Mortgage Company customers can benefit from a combination of features available exclusively through Freddie Mac Multifamily's Small Balance Loan program.

With this product, receive personal service from market experts who specialize in solutions for single or pooled loans. Whether your goal is to grow your portfolio, improve returns on existing assets, or meet other financial goals, we offer the expertise, hands-on service and reliability to get your deal to closing.

CPC Mortgage Company is a longtime Freddie Mac partner and an approved Optigo lender for this Freddie Mac Multifamily Small Balance Loan product.

Product Snapshot

— $1 million-$7.5 million
— 5-7- and 10-year hybrid ARM and fixed rate options
— Non-recourse
— Up to 80% LTV in certain markets
— Interest-only available
— 30-year amortization
— Declining prepayment options
— Coupon pricing held at application
— Streamlined loan documents and third party reports

Loan Amount	$1 million - 7.5 million in all markets* **$6 million - $7.5 million in Small and Very Small Markets may be permitted subject to Freddie Mac's approval*
Unit Limitations	Loan amount > $6 million and <$7.5 million: up to 100 units (above 100 units may be permitted subject to Freddie Mac's approval)
Loan Purpose	Acquisition or refinance
Loan Terms	- **Hybrid ARM:** 20-year term with initial 5, 7 or 10-year fixed-rate period - **Fixed:** 5, 7 or 10-year loan term
Amortization	Up to 30 years
Interest-Only	Partial-term and full-term interest-only available
Payments	Declining schedules and yield maintenance available for all loan types - please refer to the chart on page 4

Eligible Borrowers/ Borrowing Entities	Limited partnerships; limited liability companies; Single Asset Entities; Special Purpose Entities; tenancy in common with up to five unrelated members and irrevocable trust with an individual guarantor
Recourse	Non-recourse, with standard carveout provisions required
Subordinate Debt	Not Permitted
Net Worth and Liquidity	- Minimum Net worth: Equal to the loan amount - Minimum Liquidity: Equal to 9 months of principal and interest
Eligible Properties	Multifamily housing with five residential units[1] or more, including - Properties with tax abatements - Age-restricted properties with no resident services - Properties with space for certain commercial (non-residential) uses[2] - Properties with tenant-based housing vouchers - Low-Income Housing Tax Credit (LIHTC) properties with Land Use Restriction Agreements (LURAs) that are in either the final 24 months of the initial compliance period or the extended use period (investor must have exited) - Properties with local rent subsidies for 10% or fewer units where the subsidy is not contingent on the owner's initial or ongoing certification of tenant eligibility - Properties with certain regulatory agreements that impose income and/ or rent restrictions, provided all related funds have been disbursed[2] [1] Loans secured by groups of contiguous and non-contiguous duplexes, triplexes and fourplexes may be permitted as part of a larger loan configuration, subject to additional restrictions. Contact us for details. [2] Contact your CPC Mortgage Company representative for details
Ineligible Properties	- Seniors housing with senior care services - Student housing (greater than 50% concentration) - Military housing (greater than 50% concentration) - Properties with project-based housing assistance payments contracts (including project-based Section 8 HAP contracts) - LIHTC properties with LURAs in compliance years 1 through 12 - Historic Tax Credit (HTC) properties with a master lease structure - Tax-exempt bonds Interest Reduction Payments (IRPs)
Occupancy	Stabilized property with a minimum of 90% physical occupancy

Replacement Reserves

Underwritten replacement reserves will be determined based on rating established in the streamlined Physical Risk Report. Ther rating will estimate the level of improvements need over the life of the loan. The rating scale will be similar to the following[1]

Amount	Level
$200/unit	Low
$250/unit	Moderate
$300/unit	High

[1] Certain loans containing non-contiguous building will require an additional $50/unit in replacement reserves over the base amounts included above.

Escrows

- Real estate tax escrows deferred for deals with an LTV ratio of 65% or less
- Insurance escrows deferred
- Replacement reserve escrows may qualify for deferral for certain loans

Fixed-Rate/Hybrid ARM LTV Ratios and Amortizing DSCRs*

LTV and DSCR requirements vary based on the market tier in which the property resides: Top, Standard, Small or Very Small.

	Minimum Amortizing DCR	Maximum LTV
Top SBL Markets	1.20x	80%
Standard SBL Markets	1.25x	80%
Small SBL Markets	1.30x	75%[1]
Very Small SBL Markets	1.40x	75% [1]

[1] Maximum 70% LTV for Refinances

*Temporary adjustments may be made to the above thresholds based on changes in market enviroment

Partial-Term Interest-Only (IO) Options

	Partial Interest-Only Term
Top and Standard SBL Markets	- 1 year on 5-year term - 2 years on 7-year term - 3 years on 10-year term
Small and Very Small SBL Markets	- 0 year on 5-year term - 1 years on 7-year term - 2 years on 10-year term

Full-Term Interest-Only (IO) Adjustments		Add to the Baseline	Maximum LTV
	Top and Standard SBL Markets	0.15x	65%
	Small and Very Small SBL Markets	0.10x	60%

Prepayment Provisions

Fixed Rate

	5-Year	7-Year	10-Year
Option 1	54321	5544321	5544332211
Option 2[2]	32111	3322111	3332221111
Option 3[3]	(YM or 1%)	(YM or 1%)	(YM or 1%)
Option 4	31000	N/A	N/A

Hybrid ARMs[1]

	5+15 Year	7+13 Year	10+10 Year
Option 1	54321, 1%	5544321, 1%	5544332211, 1%
Option 2[2]	32111, 1%	3322111, 1%	3332221111, 1%
Option 3[3]	(YM or 1%), 1%	(YM or 1%), 1%	(YM or 1%), 1%
Option 4	31000, 0%	N/A	N/A

[1] Hybrid ARM consists of an initial fixed-rate period followed bya floating-rate period. During the floating-rate period the coupon is based on the 30-day Average SOFR + 325 bps margin. Every six months, the floating rate may increase or decrease by up to 1%, never be less than a floor of the initial fixed interest rate and never be greater than a maximum lifetime cap of the initial fixed interest rate + 5%.

[2] Prepay description: For example, for Hybrid ARM "32111, 1%" refers to 3% for 1 year of the fixed-rate period, 2% for year 2, 1% for the next 3 years, than 1% during the remaining floating-rate period.

[3] Higher of yield maintenance (YM) or 1% during the YM period. See Fixed Rate notes for details.

[4] With respect to Hybrid ARM mortgage loans with yield maintenance, for any prepayment made during the yield maintanance period, the prepayment charge will initially be greater of (i) 1.0% of the unpaid principal balance or (ii) yield maintanance. Any prepayment made after the yield maintenance period, the prepayment charge will be 1% of the unpaid principal balance. See Hybrid ARM notes for details .

About CPC Mortgage Company

CPC Mortgage Company is the nation's only nonprofit-owned Agency mortgage lender bringing social impact and a nonprofit mission to the mortgage lending industry. This innovative model leverages the unique expertise of its owners, The Community Preservation Corporation, Cinnaire and National Equity Fund, with the goal of bringing flexible capital to communities to expand and preserve affordable and workforce housing. It is the only nonprofit-owned mortgage lender offering a suite of Freddie Mac, Fannie Mae, and FHA multifamily finance products. Revenue generated by CPC Mortgage Company supports its mission-aligned partners' work to create a positive social impact through investments in housing and community development. Visit CPC Mortgage Company's website, LinkedIn, Twitter, & Facebook pages.