

Optigo[®] Floating-Rate Loan



Low Rates, Customized Terms and Certainty of Execution

Our floating-rate loan is ideal for borrowers who want to take advantage of lower, short-term rates with prepayment flexibility. You get a streamlined yet flexible financing solution at our lowest, most competitive note rate. Choose from a variety of interest rate cap coverage and prepayment provision options to suit the borrower's loan characteristics and needs.

The Freddie Mac Difference

When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our Optigo network of lenders 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 Optigo lenders at mf.freddiemac.com/borrowers/.

Product Snapshot

- Generally \$7.5 million to \$100 million; however larger or smaller loan amounts are considered
- Limited partnership, corporation, limited liability company or tenancy in common
- Over \$7.5 million must be Single Purpose Entity
- Under \$7.5 million, borrower may be a Single Asset Entity
- We support eligible mixed-use properties

Index Lock

Freddie Mac Multifamily's Index Lock allows borrowers to lock in the most volatile part of the coupon-- the Treasury index. To learn about other ways you can get certainty of execution, see our [lock options](#) here.

► Conventional: Floating-Rate Loan

Eligible Borrowers	<ul style="list-style-type: none"> Borrower may generally be a limited partnership, corporation, limited liability company or a tenancy in common (TIC) with 10 or fewer tenants in common General partnerships, limited liability partnerships, real estate investment trusts (REITs) and certain trusts may also be acceptable in limited circumstances, subject to additional requirements Borrower must generally be a Single Purpose Entity (SPE) (see Section 6.13 of the Loan Agreement for basic SPE requirements); however, on loans less than \$7.5 million, upon borrower's request, a borrower other than a TIC may be a Single Asset Entity instead of an SPE If the borrower is structured as a TIC, each tenant in common must be an SPE
Eligible Property Types	Standard multifamily housing, student housing, seniors housing, manufactured housing communities and Targeted Affordable Housing (e.g., cash LIHTC Year 4-10 and 11-15, Section 8 loans), conventional structured transactions. Floating-rate loans are not available for cooperative housing
Terms	5-, 7- and 10-year terms
Amount	Generally, \$7.5 million to \$100 million (smaller and larger loans will be considered)
Pricing Index	30-day Average SOFR
Early Rate-Lock Option	Early rate-lock option available for varying durations, typically ranging from 60 to 120 days from rate-lock until Freddie Mac purchase; Optigo lenders should consult with their regional Freddie Mac representative to determine eligibility
Interest-Only Period	Partial-term and full-term interest-only available; see table below and related footnotes
Interest Rate Cap	Expanded the number of cap options available. Borrower may obtain its own cap coverage from a third-party provider (see our Approved Counterparties List for a list of approved providers, which we have increased); see the Interest-Rate Cap Options for Floating-Rate Cash Loans with a 7-Year Term example.
Maximum Amortization	30 years
Amortization Calculations	Actual/360
Lock-out/Prepayment Provisions	Four lock-out/prepayment options available (see chart below) with no premium for final 90 days; other options are available for loans that are not intended to be securitized. Borrowers should contact a Freddie Mac Multifamily Optigo lender for more information; Optigo lenders should contact their Freddie Mac representative.
Tax and Insurance Escrow	Generally required
Replacement Reserve Deposit	Generally required
Recourse Requirements	Non-recourse except for standard carve-out provisions

► Conventional: Floating-Rate Loan

Supplemental Loan Availability	Yes, subject to requirements specified in the Loan Agreement
Application Fee	Greater of \$2,000 or 0.1% of loan amount for conventional first mortgages; supplemental and seniors housing loans are > \$5,000 or 0.15% of loan amount; supplemental loans are > \$5,000 or 0.1% of loan amount and Targeted Affordable Housing Loans are > \$3,000 or 0.1% of loan amount
Refinance Test	No Refinance Test is necessary if the loan has an amortizing debt coverage ratio (DCR) of 1.40x or greater and a LTV ratio of 60% or less

Lock-out/Prepayment Provisions

You can choose from four prepayment provisions when structuring Freddie Mac standard, capped or uncapped floating-rate loans. Each option offers no prepayment premium for the last 90 days of the loan term.

Prepayment Premium	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Option 1	Locked out	1%	1%	1%	1%	1%	1%	1%
Option 2	3%	2%	1%	1%	1%	1%	1%	1%
Option 3	5%	4%	3%	2%	1%	1%	1%	1%
Option 4 (only for 10-year capped floating-rate loan)	7%	6%	5%	4%	3%	2%	1%	1%

LTV Ratios and Amortizing¹ DCR

Floating-Rate Base Conventional Maximum LTV and Minimum DCR ¹	(For specific product adjustments, refer to individual term sheets)		
	Amortizing	Partial-Term Interest-Only ²	Full-Term Interest-Only
≥ 5-Year and < 7-Year Term	75% / 1.25x	75% / 1.25x	65% / 1.35x
≥ 7-Year Term	80% / 1.25x	80% / 1.25x	70% / 1.35x

¹ The DCR calculated for the partial-term interest-only and full-term interest-only period uses an amortizing payment at the sizing note rate. Adjustments may be made depending on the property, product, market and/or sponsor

² For partial-term interest-only loans, there must be a minimum amortization period of 5 years for loans with terms greater than 5 years. Acquisition loans with

5-year terms may have up to 1 year of partial-term interest-only. For terms of 10 years or more, loans may have interest only in an amount equal to no more than half of the loan term.

For More Information

Contact your Freddie Mac representative.