



Freddie Mac Targeted Affordable Housing Program

General Requirements for Targeted Affordable Housing Program Offerings

Eligible Products	Bond Credit Enhancement – 4% LIHTC; Bond Credit Enhancement With Other Affordability Components; 9% LIHTC Mortgages; Cash Mortgages With Other Affordability Components
Eligible Properties	Affordable multifamily properties subject to low-income housing tax credits (LIHTC) or those properties with regulatory restrictions.
Eligible Transactions	Construction and permanent financing, conventional mortgages, credit enhancement facilities, acquisition/rehabilitation, moderate rehabilitation or LIHTC
Maximum Amortization	35 years for loans with LIHTC; 30 years for loans without LIHTC
Loan Term	Up to 35 years
Minimum Occupancy	Generally 90% for 90 days prior to stabilization or conversion
Recourse Requirements	Non-recourse, except for standard carve-out provisions
Replacement Reserves	Required per <i>Delegated Underwriting for Targeted Affordable HousingSM (TAH) Guide</i>
Appraisal, Environmental Report, and Engineering Report	Required per <i>TAH Guide</i> (additional reports required for acquisition/rehabilitation, Moderate Rehabilitation and Forward Commitments)
Real Estate Tax Escrow	Required per <i>TAH Guide</i>
Property Insurance Escrow	Required per <i>TAH Guide</i>
Interest Rate Cap Escrow	Mark-to-market on a quarterly basis – escrowed at 125%
Application Fee (Non-refundable)	Standard is the greater of \$3,000 or 0.1% of the maximum loan amount (liquidity facilities may have different fees)
Other Fees (Non-refundable)	Extension Fee
Forward Commitment Fees (Refundable)	<p>Bond Credit Enhancements:</p> <p>Funded - forward commitment upon conversion: 1% of maximum loan amount</p> <p>Unfunded – forward commitment upon conversion: 2% of maximum loan amount; stand-by fee: 0.15% of maximum loan amount per annum, for each year until conversion</p> <p>Cash Purchases:</p> <p>Funded – forward commitment: 2%; delivery assurance: 5%</p> <p>Unfunded – forward commitment: 3%; delivery assurance: 5%</p>
Loan Term for Forward Commitment	<p>Up to 36 months for Forward Commitment with two six-month extensions available during construction</p> <p>18-30 year term for permanent loan beyond the construction period</p>