



FREDDIE MAC[®] Supplemental

The Freddie Mac Supplemental Mortgage offers an additional option in conjunction with a newly originated or seasoned conventional multifamily mortgage.

LOAN AMOUNT	\$1,000,000 minimum
LOAN TERM	Seasoned – must be coterminous with original mortgage or may exceed original mortgage by up to 24 months
REQUIREMENTS	<ul style="list-style-type: none"> • The Freddie Mac first mortgage must have been an Arbor transaction • At least 12 months must elapse between the closing of the first mortgage or the closing of the previous supplemental mortgage • The term of the supplemental mortgage must be at least three years
ACCEPTABLE TRANSACTIONS	<ul style="list-style-type: none"> • Fixed or floating regardless of the rate structure on the preexisting loan • Supplemental loans are allowed on conventional deals, but restricted to DSCR of 1.25 and LTV of 80% for acquisitions and DSCR of 1.30 and LTV of 75% for cash-out refinances; subject to Freddie Mac credit posture at time of application
WORKINGS	<ul style="list-style-type: none"> • Origination of a supplemental mortgage behind a securitized mortgage will trigger collection of any deferred reserves for that first mortgage • Real estate tax reserve, even if not required for the first mortgage • A new title insurance policy is required • No new survey is required, provided the title meets certain requirements • A new third-party appraisal report is required; an environmental database review is required; a new engineering report may be required, as determined by Freddie Mac
LIMITATIONS	<ul style="list-style-type: none"> • Unlimited (subject to all terms and conditions) • Less than five years left on term of first, the supplemental loan sizing is subject to additional exit risk analysis
MINIMUM DSCR	1.25 for acquisition, 1.30 for cash-out refinance
MAXIMUM LTV	Initial LTV unless otherwise noted
ELIGIBLE BORROWER	Original borrower or lender-approved transferee
PREPAYMENT	Yield maintenance
ASSUMABLE	Subject to approval and 1% fee (nonrecourse loans only)
APPLICATION FEES	\$12,500
ORIGINATION FEE	Par pricing not available