



## FREDDIE MAC®

### Manufactured Housing Resident Owned Community Loan (MHROC)

- Designed specifically for MHROCs (also known as MH Cooperatives)
- Expands affordable housing options for underserved populations, particularly in rural and non-metro areas where MHROCs are prevalent

<b>Eligible Property Types</b>	Existing, stabilized, high-quality, professionally managed MHROCs, with or without age restrictions
<b>Eligible Transaction Types</b>	<ul style="list-style-type: none"> <li>• <u>Acquisition/Conversion</u>: An Acquisition Mortgage on a Manufactured Housing Community which is in the process of converting from a rental property to an MHROC. The MHROC Borrower must be formed prior to rate lock.</li> <li>• <u>Seasoned Refinance</u>: A Refinance Mortgage on an existing MHROC with most shares already sold to resident shareholders</li> </ul>
<b>Eligible Borrowers</b>	Not-for-profit cooperative corporation or association (“Co-op”) in which shares in the Co-op are sold to shareholders and such shares entitle the shareholder to occupy a specific pad
<b>Requirements for Resident Shareholders</b>	<p>At rate lock:</p> <ul style="list-style-type: none"> <li>• 100% of pads must be owned by the MHROC Borrower.</li> <li>• At least 90% of shares must be owned by resident-shareholders.</li> </ul> <p><i>Seasoned Refinances offer flexibility on this point with alternate sizing.</i></p>
<b>Debt Service Reserve</b>	May be required
<b>Terms</b>	5- to 30-year terms
<b>Minimum UPB Amount</b>	\$500,000
<b>Maximum Amortization</b>	30 years
<b>Interest Rate</b>	Fixed-rate only, floating rate not permitted (Refer to the Fixed-Rate Loan term sheet for additional information.)
<b>Interest Only</b>	Amortizing only – Interest only not permitted
<b>Prepayment Provisions</b>	Refer to the Fixed-Rate Loan term sheet for additional information.
<b>Recourse Requirements</b>	Non-recourse, guarantor not required
<b>Supplemental Financing</b>	Available, subject to the Supplemental Loan offering requirements
<b>Home Rentals</b>	The percentage of homes owned by the borrower, borrower-affiliate, or third-party investor cannot exceed 5% in aggregate.
<b>Tax and Insurance Escrows</b>	Required
<b>Replacement Reserve Escrows</b>	Minimum \$50/site/year and \$250/borrower-owned manufactured home/year (if included in the collateral)
<b>Application Fee</b>	Greater of \$2,000 or 0.1% of loan amount
<b>Early Rate and Spread Lock Options</b>	Standard Delivery



## Refinance Test

Refinance Test is necessary on all MHROC loans

## Additional Considerations

- Private facilities (e.g., wells and septic systems) are allowed with considerations.
- Rental leases cannot contain option to purchase pad sites or borrower-owned manufactured homes.
- Retail sales or financing by borrowing entity of any manufactured homes or shares in the MHROC Borrower is not allowed.
- RV campgrounds and broken condominiums are excluded.
- Wrap financing, seller financing, mezzanine financing, and preferred equity are not permitted.
- Freddie Mac will not purchase end loans or loans to individual shareholders.