

# Workforce Housing Preservation

Borrower-led rent preservation to provide attainable housing for middle-income residents

## ABOUT

Workforce Housing Preservation is ideal for borrowers who want to provide a private sector approach to help solve the affordable housing crisis through voluntary rent restrictions. By preserving rents at workforce housing properties, you're supporting tenants with modest-to-low incomes, commonly referred to as the "missing middle" who are typically cost-burdened and underserved. In the loan documents, borrowers agree to rental restrictions on units affordable to residents at 80% Area Medium Income (AMI) in standard markets and higher AMI levels in higher cost markets. Preservation parameters are also available for properties with regulatory use agreements that expire during the first half of our loan term. In this case, the borrower would preserve at least 20% of the units consistent with the affordability levels of the expiring use agreements for the remainder of the loan term.\*

## FEATURES

- Percentage of set-aside units and rent affordability level may vary by market, with a programmatic minimum of 20% of units.
- Available on all fixed rate loans with term greater than or equal to 7 years.
- Preservation period is the lesser of the term of the loan or 10 years.\*
- 1.25x/80% maximum credit parameters. At lower leverage, 35-year amortization may be available subject to Underwriting review and approval.
- Competitive loan pricing.
- Rent restrictions to be governed by the Freddie Mac Loan Agreement.
- Annual borrower certification of straightforward rent monitoring, ensuring continued affordability; no income tests required.

\*Flexibility may be available in the last year of the loan term.

## The Freddie Mac Difference:

When it comes to multifamily finance, Freddie Mac gets it done. We work closely with our Optigo® lenders to tackle complicated transactions and provide certainty of execution.

Contact your Freddie Mac Multifamily representative today - we're here to help!