



Manufactured Housing Resident Owned Community (MHROC) Loan

- Designed specifically for Manufactured Housing Resident Owned Community (MHROC) Loans (also known as MH Cooperatives)
- Expands affordable housing options for underserved populations, particularly in rural and non-metro areas where MHROCs are prevalent
- Acquisitions/Conversions or Seasoned Refinances permitted

Eligible Property Types

Existing, stabilized, high-quality, professionally managed MHROCs, with or without age restrictions

Eligible Transaction Types

- **Acquisition/Conversion:** 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
- **Seasoned Refinance:** A Refinance Mortgage on an existing MHROC with most shares already sold to resident shareholders

Eligible Borrowers

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

Fixed-Rate LTV Ratios and Amortizing DCRS¹

Fixed-Rate Base Conventional Maximum LTV and Minimum DCR (all amortizing)	Acquisitions/Conversions	Seasoned Refinances
As Market Rate Rental ²	70%/1.40x	70%/1.40x
As Cooperative ³	NA/1.15x	NA/1.10x

¹ Adjustments to DCRs and LTVs may be required depending on the property, product and/or market.

² 'As market rate rental' – income and expenses underwritten as a conventional rental property operation.

³ 'As cooperative' – income and expenses underwritten as a resident-owned cooperative (as-is).

Requirements for Resident Shareholders

At rate-lock:

- 100% of the pads must be owned by the MHROC Borrower
- At least 90% of shares must be owned by resident-shareholders

Seasoned refinances offer flexibility on this point with alternate sizing

Debt Service Reserve

May be required

Terms

5- to 30-year terms

Minimum UPB Amount	\$500,000
Maximum Amortization	30 years
Interest Rate	Fixed-rate only, floating-rate not permitted; please refer to the Fixed-Rate loan term sheet for additional information
Interest-Only	Amortizing only – Interest only not permitted
Prepayment Provisions	Refer to the Fixed-Rate Loan term sheet for additional information
Recourse Requirements	Non-recourse, guarantor not required
Supplemental Financing	Available, subject to the Supplemental Loan offering requirements
Home Rentals	The percentage of homes owned by the borrower, borrower-affiliate, or third-party investor cannot exceed 5% in aggregate
Tax and Insurance Escrows	Required
Replacement Reserve Escrow	Minimum \$50/site/year and \$250/borrower-owned manufactured home/year (if included in the collateral)
Application Fee	Greater of \$2,000 or 0.1% of loan amount
Early Rate and Spread Lock Options	Standard Delivery
Refinance Test	Refinance Test is necessary on all MHROC loans
Additional Considerations	<ul style="list-style-type: none"> • Private facilities (e.g., wells and septic systems) are allowed with considerations • Rental leases cannot contain the 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 <p>Freddie Mac will not purchase end loans or loans to individual shareholders</p>