

Supplemental Mortgage

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

Eligible Borrower

Original first loan borrower or lender-approved transferee

Eligible Loans

- Loans behind existing first loans
 - Stabilized properties in good standing
 - Purchased through the cash loan programs for Conventional, Targeted Affordable Housing, Seniors Housing, and Conventional Structured Transactions
- Prior loans (first loans and any prior supplemental loans in place) must have remaining terms of three years or more
- Minimum supplemental amount: \$1 million

Loan-to-Value (LTV) Ratios and Amortizing Debt Coverage Ratios (DCR)¹

Supplemental Loan Base Maximum LTV and Minimum DCR	Fixed-Rate LTV/DCR and Floating-Rate LTV/DCR (DCR at comparable fixed-note rate)		
	Amortizing ²	Partial-Term Interest-Only ²	Full-Term Interest-Only (including any supplemental loan with a full-term interest-only first loan)
≥3-Year and < 5-Year Term	75%/1.35x	75%/1.35x	65%/1.45x
≥5-Year and < 7-Year Term	75%/1.25x	75%/1.25x	65%/1.35x
≥7-Year Term	80%/1.25x	80%/1.25x	70%/1.35x

¹All DCRs and LTVs are calculated based on the sum of the amortizing debt service and unpaid principal balance of the first loan and all existing and proposed supplemental loans.

²For partial-term interest-only loans, there must be a minimum amortization period of five years for loans with terms greater than two years. All mortgages with less than two years of amortization must meet the requirement for full-term Interest-Only Mortgages.

³Maximum combined maturity LTV is 70%, subject to adjustment for certain property and loan types.

Terms

Coterminous with first loan, must be at least 12 months after the origination of the first loan or the most recent prior to the supplemental loan; not available during the last three years of the first loan

Payment Provisions

Fixed Rate: Structured as a yield maintenance loan
 Floating Rate: See Floating Rate Loan Term Sheet

Reserve and Escrow Requirements

Origination of a supplemental loan may trigger collection of deferred reserves and escrows for that first loan. Deferred insurance escrows may be permitted under limited circumstances.

Refinance Test

Based on the sum of the debt service and unpaid principal balance of the first loan and all existing and proposed supplemental loans

Servicing Fee

Calculation based on supplemental proceeds

Loan Documents

Subject to Freddie Mac's then-current loan documents and any applicable conditions set forth in the first loan and any existing supplemental loan documents