

# Supplemental Mortgage

Freddie Mac<sup>®</sup> 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)<sup>1</sup>

Supplemental Loan Base Maximum LTV and Minimum DCR	Fixed-Rate LTV/DCR and Floating-Rate LTV/DCR (DCR at comparable fixed-note rate)		
	Amortizing <sup>2</sup>	Partial-Term Interest-Only <sup>2</sup>	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

<sup>1</sup>All 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.

<sup>2</sup>For 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.

<sup>3</sup>Maximum 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.

<b>Refinance Test</b>	Based on the sum of the debt service and unpaid principal balance of the first loan and all existing and proposed supplemental loans
<b>Servicing Fee</b>	Calculation based on supplemental proceeds
<b>Loan Documents</b>	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