

Supplemental Mortgage

The 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 five years. Acquisition loans with five-year terms may have up to one year of partial-term interest-only. For terms of 10 years or more, loans may have interest only in an amount equal to no more than half of the loan term.

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

Structured as a yield maintenance loan

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