Freddie Mac®

Conventional Forwards

Arbor's Freddie Mac® Conventional Forwards encourage the creation of new housing supply by providing takeout certainty to developers and construction lenders, helping to address long-term supply shortages that limit affordability and housing choice. In an evolving multifamily lending environment, our Conventional Forwards provide clarity to the terms of the permanent debt needed when a property stabilizes after new construction or major rehabilitation.

Product Description	Unfunded forward commitments for new construction or major rehabilitation
Eligible Borrowers	• Borrower may be a limited partnership, corporation, or limited liability company • General partnerships, limited liability partnerships, real estate investment trusts (REITs) and certain trusts may also be acceptable in limited circumstances, subject to additional requirements • Borrower must be a Single Purpose Entity
Eligible Property Types	To-be-built or substantially rehabilitated garden, mid-rise, high-rise or build-to-rent communities
Terms	• Fixed Rate – Up to 15 years • Floating Rate – Up to 10 years
Amount	Minimum $10 million
Type of Funding	Forward commitment to provide permanent financing upon successful conversion from construction phase to permanent phase.
Minimum Debt Coverage Ratio (DCR)	1.25x
Maximum Loan-to-Value (LTV) Ratio	80%
Maximum Forward Commitment Term	Up to 48 months (with available extensions)
Maximum Amortization	Up to 35 years, depending on the market
Prepayment Provisions	Defeasance or yield maintenance
Subordinate Financing	Not permitted
Tax and Insurance Escrows	Required
Fees	Application fee, conversion assurance fee, standby fee, make-whole provision (including breakage)