

# BOND CREDIT ENHANCEMENT WITH OTHER AFFORDABILITY COMPONENTS

## Credit Enhancements from Tax-Exempt Bonds

Freddie Mac’s Bond Credit Enhancement program provides for the preservation of the affordable housing stock with flexibility in transaction structuring and certainty of execution.

The program is for fixed- or variable-rate multifamily housing bonds including bond refundings, substitutions or new issue transactions with 80-20 bonds, taxable bonds in combination with tax-exempt bonds, 501(c)(3) bonds, Section 8, Section 236 or tax abatements.

### The Hunt Mortgage Group and Freddie Mac Difference

When it comes to multifamily finance, Hunt Mortgage Group and Freddie Mac get it done. We work closely together to tackle complicated transactions, provide certainty of execution and fund quickly.

**Contact your Hunt Mortgage Group representative today.**

### PRODUCT SNAPSHOT

- For tax-exempt bonds for refundings, substitutions and acquisitions
- New credit enhancement facility or replacement of an existing one
- We support eligible mixed-use properties

Eligible Property Types	Garden, mid-rise and high-rise multifamily properties with minimum occupancies of 90% for 90 days
Terms	10 to 30 years
Eligible Transactions	New credit enhancement facility or replacement of existing credit enhancement facility for tax-exempt bonds for refundings, substitutions and acquisitions
Maximum Amortization	30 years
Minimum Debt Coverage Ratio (DCR) <sup>1</sup>	<ul style="list-style-type: none"> <li>• Variable-rate with cap hedge: 1.25x</li> <li>• Fixed-rate: 1.25x</li> </ul>

Maximum Loan-to-Value (LTV) Ratio <sup>1</sup>	<ul style="list-style-type: none"> <li>• Variable-rate with cap hedge: 80% of adjusted value or 85% of market value</li> <li>• Fixed-rate: 85% of adjusted value or 90% of market value</li> </ul>
Prepayment Provisions	Fee maintenance required
Subordinate Debt	Permitted
Recourse Requirements	Non-recourse except for standard carve-out provisions
Recourse Requirements	Required
Property and Real Estate Tax Escrow	Required
Fees	Application fee, commitment fee, credit facility fee, outside counsel fees, plus other fees as applicable

<sup>1</sup> Adjustments may be made depending on the property, product, and/or market.

FOR MORE INFORMATION ON HUNT MORTGAGE GROUP,  
CONTACT YOUR HUNT MORTGAGE GROUP REPRESENTATIVE.