



Targeted Affordable Housing



NCSHA Housing Connect 2015

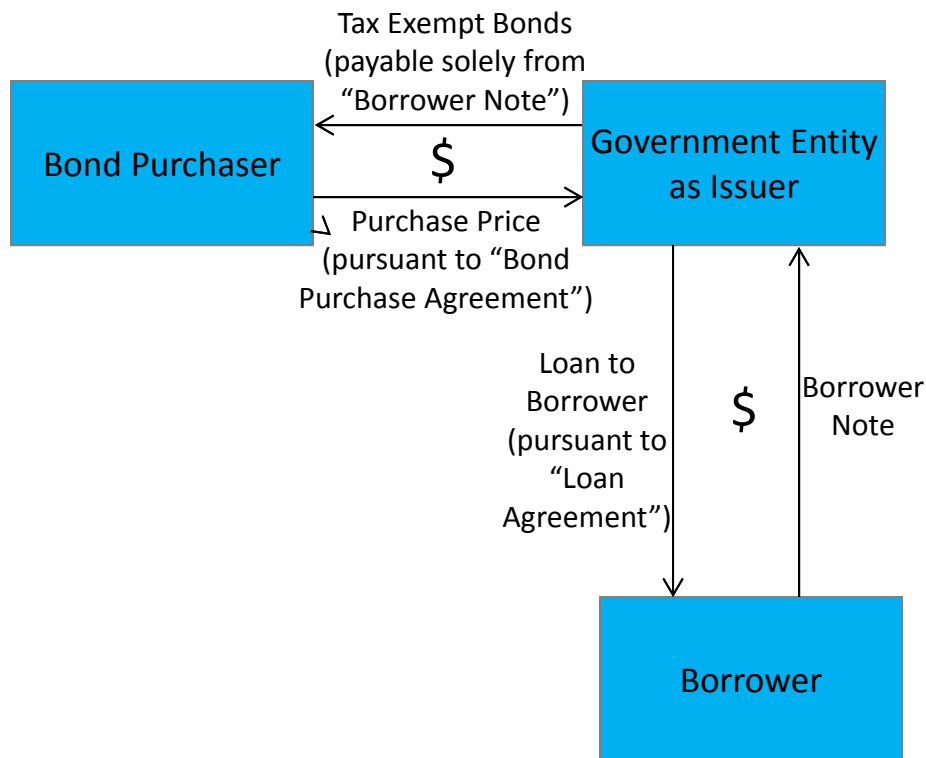
Tax-Exempt Loan



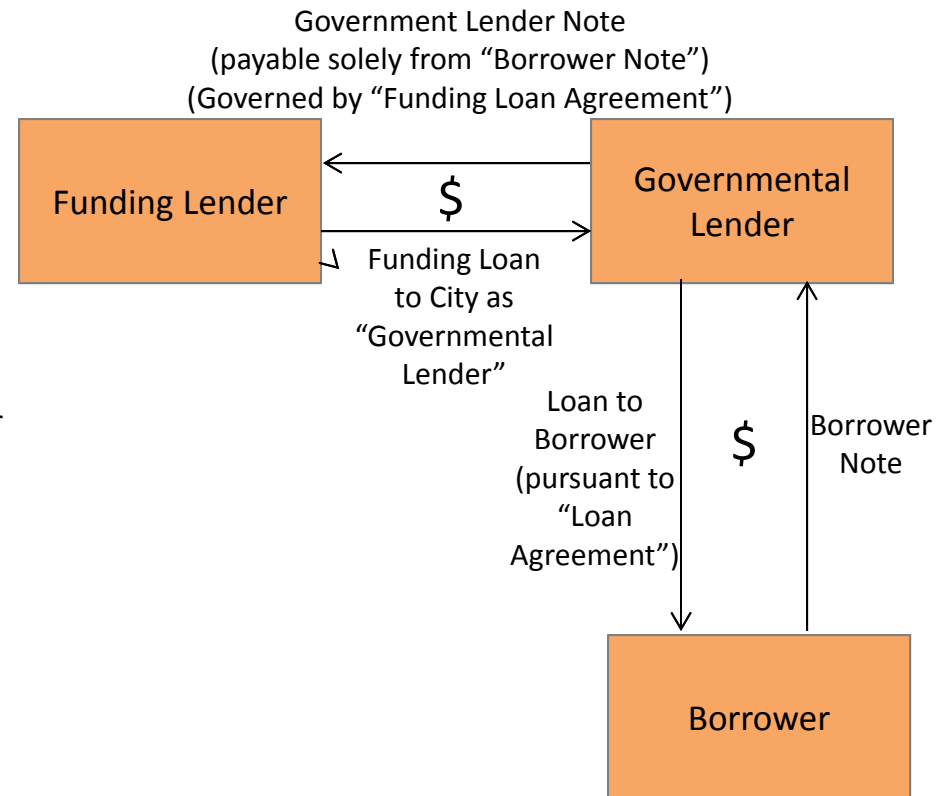
- New execution for 4% LIHTC
- Documented as a loan instead of a bond
- Private placement structure with back to back funding
- Credit parameters same as our traditional bond credit enhancement:
1.15 DCR / 90% LTV
- Terms up to 18 years
- Immediate funding and forward commitments executions available
- Both fixed and floating rates available

Side-by-Side Comparison: Tax-Exempt Bond Placement and Direct Placement of Tax-Exempt Loan

Tax-Exempt Bond Placement



Direct Placement of Tax-Exempt Loan



- Significant cost savings compared to traditional publically offered bond credit enhancements
- Less documentation
- Fewer participants
- More efficient execution

- A private placement execution for tax-exempt bonds
- Freddie Mac provides the investor with credit enhancement
- May be fixed or floating rate
- May be immediate or forward funding
- Terms of 7 and 10 years available for a 15 year credit enhancement

Credit Enhancement for Direct Placement Bonds

- One stop shopping for the borrower, so you can tie up business quickly
- Provides long term credit enhancement
- Able to do floating rate without the expense of a liquidity facility
- More efficient structure for potential earnouts
- Trade real estate risk for GSE risk and lower capital needs



Bond Products Comparison Chart

Tax-Exempt Loan	Credit Enhancement for Direct Placement Bonds	Cash Loan with Short Term Bonds	Bond Credit Enhancement with 4% LIHTC	Bond Credit Enhancement with Other Affordability Components
<ul style="list-style-type: none"> • More efficient, more cost effective alternative to publically offered tax-exempt bond credit enhancement • Private placement loan product with fewer documents and participants • Immediate and Forward Executions available • Fixed and Variable rate executions available • Min. 1.15 DCR • Max. 90% LTV • Terms up to 18 years • Max amortization of 35 years • Minimum 10 years prepayment protection 	<ul style="list-style-type: none"> • More efficient, more cost effective alternative to publically offered tax-exempt bond credit enhancement • Private placement bond product with fewer documents and participants • Immediate and Forward Executions available • Fixed and Variable rate executions available • Min. 1.15 DCR • Max. 90% LTV • Terms up to 15 years • Max amortization of 35 years • Minimum 7 years prepayment protection 	<ul style="list-style-type: none"> • Cash loan, secured by the property, that provides collateral for tax-exempt bonds with 4% LIHTC • Bonds paid off when units placed in service. Cash loan remains in place. • Cash loan coupled with privately placement bonds. • Immediate and Forward Executions available • Fixed and Variable rate executions available • Min. 1.15 DCR • Max. 90% LTV • Terms up to 18 years • Max amortization of 35 years • Yield maintenance followed by defeasance 	<ul style="list-style-type: none"> • Traditional, publicly offered bond credit enhancement • Public bond offering with multiple participants • Immediate and Forward Executions available • Fixed and Variable rate executions available • Min. 1.15 DCR • Max. 90% LTV • Terms up to 35 years • Max amortization of 35 years • Fee Maintenance is required 	<ul style="list-style-type: none"> • New or replacement credit facility for tax-exempt housing bonds • Public offering or private placement bond executions available. • Immediate and Forward Executions available • Fixed and Variable rate executions available • Min. 1.25 DCR* • Max. 85% LTV* • Terms up to 30 years • Max amortization of 30 years • Fee Maintenance is required <p>*Higher leverage may be available in Tier 1 and Tier 2 Markets.</p>

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