



Freddie Mac Noncrossed Credit Facility

DESCRIPTION

Deutsche Bank Berkshire Mortgage provides financing for pool transactions, through Freddie Mac's Noncrossed Credit Facility. This program provides borrowers the opportunity to arrange favorable terms for the multifamily mortgage financing they expect to need in the next 12 to 36 months. A Noncrossed Credit Facility is an excellent solution for

- Institutional investment funds with a fixed investment window and hold period that desire a homogenous leverage level across all assets.
- Large portfolio investors, such as a public or private REIT, that want to pre-negotiate the financing terms for known loan maturities in the approaching months
- Large, well-established regional investors, who are generally prevented from aggregating and cross-collateralizing loans due to disparate ownership structures, that want the many benefits and efficiencies typically available only to larger pooled transactions

Eligible properties include refinance and acquisition of quality multifamily garden, mid-rise and high-rise properties and mixed-use properties with substantial multifamily income. No geographic concentration covenants required.

BENEFITS / FEATURES

- Establish underwriting covenants that will be applied to all individual loans delivered under the facility agreement, such as maximum loan-to-value and minimum debt-service-coverage ratios
- Establish structural characteristics that will be common to all individual loans, such as loan term, amortization, and prepayment term
- Pre-negotiate the pricing for all loans. (see rates below)
- Pre-negotiate the closing documents

LOAN STRUCTURE

LOAN AMOUNT	\$50 million (facility minimum) with expansion rights available; \$3 million individual loan size.
LOAN TO VALUE	Up to 80% for amortizing loans with terms of 7 years or longer, 75% for amortizing loans with terms of less than 7 years, 70% for interest-only loans.
DEBT SERVICE COVERAGE	1.25x for amortizing loans; 1.50x for interest-only loans.
LOAN TERMS	Up to 36 months for the initial facility term; Individual Loans - minimum of 3 years for adjustable-rate loans and 5 years for fixed-rate loans
AMORTIZATION	May be amortizing or interest-only.
RECOURSE	Loans are non-recourse with standard carve-out provisions.
INTEREST-RATE CAP	Required on all adjustable-rate loans. May be waived based upon leverage levels
FEES	Unused Facility Fee and Facility Transaction Fee will apply.
RATES	Fixed-rate and adjustable-rate available. Pricing is indexed to Freddie Mac Reference Bills® for adjustable-rate loans and to interest-rate swaps for fixed-rate loans

OPTIONAL FEATURES

SUBORDINATE FINANCING	Not permitted. However, supplemental debt provided by Freddie Mac may be available.
ASSUMABILITY	Permitted subject to standard Freddie Mac terms and conditions.
PREPAYMENT	Yield Maintenance and other flexible structures of prepayment are available.