LMD
CAPITAL PARTNERS

FREDDIE MAC

Freddie Mac Conventional Manufactured Housing Community Loan

Fixed- or floating-rate Optigo financing for existing, stabilized, professionally managed manufactured housing communities, with or without age restrictions.

Indicative Terms

LOAN AMOUNT	$1,000,000 minimum.
LOAN TERM	5, 7 and 10 years. Longer terms may be considered individually.
MAXIMUM AMORTIZATION	30 years.
MAXIMUM LOAN TO VALUE	80%.
MINIMUM DEBT SERVICE COVERAGE	1.25x.
INTEREST RATE	Fixed or floating options are available.
REQUIRED THIRD-PARTY REPORTS	MAI appraisal, zoning report, physical needs assessment and Phase I environmental site assessment.
RESERVES AND ESCROWS	Tax and insurance escrows are required, with a replacement reserve of at least $50 per site per year.
FREDDIE MAC APPLICATION FEE	The greater of $2,000 or 0.10% of the loan amount.
TENANT PROTECTIONS	Within 12 months of origination, eight tenant protections must be written into leases and community documents: one-year renewable leases requiring good cause for non-renewal; 30 days written notice before a rent increase; a five-day grace period with cure rights on rent, extended by a further 10 days where the lease is silent; the right to sell the home to a qualifying buyer without relocating it; the right to sell in place within 30 days after an eviction, subject to safety exceptions; the right to sublease or assign to a qualified buyer or sublessee without unreasonable restriction; the right to post compliant for-sale signage; and at least 60 days notice of a planned sale or closure. State law supersedes any conflicting provision.
ADDITIONAL TERMS	Non-recourse with standard carve-out provisions. Supplemental loans are available.
APPLICATION FEE	Quoted per transaction.

Miami, FL | Amy Miller, Marketing Director | amy.miller@lmdcap.com

Indicative Terms (continued)

ORIGINATION FEE	Quoted per transaction.
LEGAL FEES	Quoted per transaction.

Eligible Properties & Sponsors

Borrowers must have two or more years operating manufactured housing communities plus ownership of at least one other property. Eligible structures are limited partnerships, corporations, limited liability companies, and tenancies-in-common with 10 or fewer partners; general partnerships, limited liability partnerships, REITs and certain trusts may qualify under specific conditions. A single-purpose entity is required, though loans under $5,000,000 may use a single-asset entity structure, and in a tenancy-in-common each partner must be a single-purpose entity. Communities need a minimum of five pad sites with homes compliant with the HUD Code. Borrower-affiliated or third-party investor home ownership is capped at 25% in aggregate. Private wells and septic systems are permitted subject to evaluation. Leases may not include pad-site purchase options, and the entity may not engage in retail home sales or financing. RV campgrounds and broken condominiums are excluded.