



## Freddie Mac Provides \$21 Million in Financing for Three Low Income Apartments in Tennessee

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MCLEAN, VA--(Marketwired - Jul 24, 2015) - Freddie Mac (OTCQB: FMCC) recently funded more than \$21.4 million in loans to rehabilitate three Tennessee apartment communities that have very affordable, below market rental units. Working with Berkadia to arrange financing, sponsor Highmark Holdings, LLC., utilized the Freddie Mac [Direct Purchase of Tax-Exempt Loans](#) (TEL) offering that helps to keep rental housing affordable for lower-income families and increases cost-effective financing for tax-exempt multifamily properties.

"It was great working with Berkadia and Highmark to provide financing for the renovation of 400 apartments units, knowing that the rents will remain affordable when they are completed," said David Leopold, Freddie Mac Multifamily vice president of Affordable Lending and Sales. "The Direct Purchase of Tax-Exempt Loans offering is more cost efficient for the borrower than publicly offered credit enhanced bonds, and is the first step toward a Freddie Mac securitization."

TEL is financing for the acquisition or refinance of affordable multifamily properties with 4 percent Low Income Housing Tax Credits (LIHTC) with at least seven years remaining in the tax credit benefit period. It requires fewer documents and fewer participants than traditional tax-exempt bond financing -- materially reducing transaction costs, while providing aggressive long-term rates.

"In today's competitive landscape, affordable housing sponsors routinely compete head-to-head against market rate sponsors for potential acquisitions," said Berkadia's Managing Director of Affordable Housing Lloyd Griffin. "Multifamily affordable housing deals, and in particular, those involving tax-exempt financing, have historically been burdened by costs, documentation and lengthy timelines. Freddie Mac's TEL offering reduces all three, serving to help equalize the playing field for affordable housing sponsors, which in turn serves to preserve and/or create more affordable housing stock throughout the country."

"Berkadia delivered what they said they could in the time frame in which they said they would do it," said Robert S. King, Managing Director, Highmark Holdings, LLC. "Berkadia helped us close three separate mod-rehab bond deals under the new Freddie Mac TEL initiative in a 60-day period, with each transaction getting from purchase contract to closing within 120 days. I couldn't be more pleased with the job that Freddie Mac and Berkadia did for us."

### Property Details:

- \$9.7 million loan for the 176-unit Biltmore Place Apartments in Nashville. After the renovations, 95 percent of the units will be income and rent restricted to residents earning up to 60 percent of the Area Median Income (AMI).
- \$3.25 million loan for 96-unit Ridgetop at Athens apartments in Athens, Tenn. Post renovation the apartments will be rented to individuals with 50-60 percent of the AMI.
- \$8.5 million loan for the 144-unit River Retreat Apartments in Nashville. The units will be income and rent restricted to residents earning up to 50-60 percent of the AMI.
- Upgrades to each property include appliances, water heaters, HVAC system, kitchen/bathroom cabinetry, flooring, painting, lighting, landscaping and pavement resurfacing.

### About Freddie Mac

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports homeowners and renters nationwide by providing mortgage capital to lenders. Today Freddie Mac is making home possible for approximately one in four home borrowers and is one of the largest sources of financing for multifamily housing. Additional information is available at [FreddieMac.com](#), Twitter [@FreddieMac](#) and Freddie Mac's blog [FreddieMac.com/blog](#).

### About Berkadia®:

Berkadia, a joint venture of Berkshire Hathaway and Leucadia National Corporation, is an industry-leading commercial real estate company providing comprehensive capital solutions and investment sales advisory and research services for multifamily and commercial properties. Berkadia is among the largest, highest rated and most respected primary, master and special servicers in the industry.

As a Freddie Mac Program Plus® lender, Fannie Mae DUS® Multifamily Seller/Servicer, insurance company correspondent, and HUD, MAP and LEAN originator and servicer, Berkadia provides access to capital and flexible, customized lending and servicing solutions for the acquisition, construction, rehabilitation and refinance of multifamily and commercial properties. Berkadia also provides interim and short-term financing through its Proprietary Bridge Lending Program. To learn more about Berkadia, please visit [www.berkadia.com](#).

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