



Multi PCs



Multifamily PCs are secured by structures with five or more units designed principally for residential use, with terms generally ranging from five to 30 years. All Multifamily 55-Day PCs, Gold PCs and all Multifamily ARM PCs offer the Freddie Mac guarantee of timely payment of interest and full and final payment of scheduled principal. In addition to attractive yields, one of the most prominent advantages of multifamily securities is the high level of call protection.

Freddie Mac's multifamily mortgage credit, appraisal and underwriting guidelines generally require all multifamily mortgages it purchases to conform to the guidelines outlined below:

- Secured by standard multifamily housing, student housing, seniors housing, manufactured housing communities, cooperative housing and Targeted Affordable Housing cash (e.g., LIHTC Year 4-10 and 11-15, Section8) loans.
- Debt coverage ratios (DCRs) within a range of 1.25x - 1.40x for the first mortgage and 1.15x for the first mortgage and any subordinate mortgages. For a property with a project-based Section 8 HAP contract, if the property is located in an "above-average" market and has a physical vacancy of less than 5% at origination, then the DCR must be 1.15x.
- Loan-to-value ratios not exceeding 80 percent for the first mortgage, 85 percent for the first mortgage and any subordinate mortgages or 90% with LIHTCs.

Tax-exempt Loan Multi PCs

Tax-exempt Loan Multi PCs (TEL Multi PCs) are backed by [tax-exempt loans](#) (TELs) that are more likely originated in high property price areas, such as San Francisco and New York City. Generally, these loans tend to have low loan-to-value (LTV) ratios or high debt service coverage (DSCR) ratios, or both. A large benefit of purchasing a TEL Multi PC is that the tax-exempt benefit is expected to be passed on to the investor.

Freddie Mac may modify the guidelines or grant waivers for some multifamily mortgages when compensating factors (such as higher debt coverage ratios) are present.

- Securities
 - K-DEALS
 - KT-DEALS
 - M-DEALS & ML-DEALS
 - Q-DEALS
 - PCS**
 - SB-DEALS
 - SCR NOTES

Resources