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| News Release

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FREDDIE MAC FUNDS FIRST MULTIFAMILY LOAN UNDER ITS MEZZANINE FINANCE ARRANGEMENT

McLEAN, Va. – [Freddie Mac](#) (OTC: FMCC.) recently funded its first mortgage using the new mezzanine finance arrangement. Freddie Mac purchased a \$47 million first mortgage from M&T Capital Realty Corp. for a property in the Washington, D.C., suburbs. The borrower, Metropolitan Apartments at Camp Springs L.L.C., secured a mezzanine loan for \$6.75 million from Berkshire Properties.

News facts

- The property, Metro Place at Camp Springs, is a 397-unit garden style affordable apartment community located in Camp Springs, Maryland.
- The property was constructed in 2007, directly across the street from a subway station and with convenient access to major highways. It is also near Andrews Air Force Base.
- When the economic downturn for this market began in 2008, the property value declined on this property, which made refinancing difficult.

Quotes

Michael McRoberts, vice president of multifamily production and sales, Freddie Mac, “We’re very pleased with the financing which allowed the borrower to address what could have been a difficult pending loan maturity. Without access to mezzanine financing, the borrower would have been required to make a significant equity contribution.”

Dan Brendes, vice president, M&T Realty Capital Corporation

“The borrower had an LTV just above the standard program requirements -- above 80 percent. Mezzanine financing was needed to address the borrowers’ need for additional financing and to address a pending loan maturity issue. The mezzanine arrangement is a great solution for when you are just over the dollar amount available through conventional financing.”

Eric Draeger, vice president, Berkshire Property Advisors, LLC

“We are proud to be the lender on the first loan through Freddie Mac’s mezzanine arrangement. It’s exciting that Berkshire is part of a solution that meets a unique financing need in the marketplace.”

Product Information

- Freddie Mac announced the strategic [mezzanine finance arrangement](#) in March.
- Freddie Mac strategically partnered with Berkshire Properties, Carmel Partners, Essex Property Trust and Waterton Capital Solutions, L.L.C., who can provide mezzanine financing for senior mortgages Freddie Mac purchases from lenders.

Related Links

- [Metroplace](#) at Town Center website
- [M&T Realty Capital Corp.](#) website
- [Berkshire Property Advisors](#) website
- [Freddie Mac news](#)

Freddie Mac was established by Congress in 1970 to provide liquidity, stability and affordability to the nation's residential mortgage markets. Freddie Mac supports communities across the nation by providing mortgage capital to lenders. Over the years, Freddie Mac has made home possible for one in six homebuyers and more than five million renters. www.FreddieMac.com

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