

# Affordable Housing Acquisition Loan Term Sheet

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## Terms

- 12-24-months.
- Up to \$6,000,000.
- Interest due debited from loan proceeds on the 15<sup>th</sup> of every month.

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## Fees

- No application fee.
- 1% loan fee due at closing.
- Documentation fee varies and is estimated at time of commitment.

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## Use of Funds

Acquisition of land or buildings prior to closing on construction financing. Sample uses include:

- Low-Income Housing Tax Credit (LIHTC) is allocated for project, but purchase agreement is expiring, or option fees are escalating, and the project is not ready to close on construction financing.
- Assembly of scattered sites require multiple real estate closings prior to LIHTC closing.
- A multi-phase project requires acquisition and subdivision of larger site at Phase I closing.
- Re-zoning or permitting process requires developer acquire site prior to construction closing.
- Can be combined with IFF predevelopment loan to pay for pre-construction soft costs.

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## Eligible Developments

Rental housing developments utilizing LIHTC financing, or properties utilizing a public funding source which restricts household income and unit rent to a maximum of 80% Area Median Income (AMI) for the majority of project units.

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## Rate

Fixed interest rate locked at time of approval. Rate is 6.250% as of May 2023.

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## Collateral

First position mortgage on real estate acquired for future development. No Loan to Value (LTV) limit with LIHTC allocation in hand. Full recourse to developer/borrower.