

Affordable Housing Permanent Loan Term Sheet

Terms

- Up to 18 years with amortization not to exceed 35 years. Maturity not to exceed final maturity date of any existing subordinate/soft debt.
- Loan sized to minimum debt coverage of 1.15x at maturity.
- Up to \$6,500,000, with consideration for required operating and replacement reserves, as well as current capital needs.

Fees

- No application fee.
- 1% loan fee due at closing.
- Documentation fee varies and is estimated at time of commitment.
- If third-party reports completed at time of original construction or Low-Income Housing Tax Credit (LIHTC) closing are not available, new reports may be required, including environmental Phase I.
- IFF-ordered appraisal may be required.

Use of Funds

- Refinancing of maturing senior debt or loans to existing projects without hard debt.
- Acquisition of existing, operating low-income housing properties.
- Replenishing of property reserves.
- Property repairs, accessibility improvements, deferred maintenance.
- No cash out to developer/owner above transaction costs.

Eligible Developments

Rental housing developments with LIHTC use agreements, or properties utilizing a public funding source which restricts household income and unit rent or sale price to a maximum of 80% Area Median Income (AMI) for the majority of project units, including Project-Based Section 8 contracts, HUD 202s, and HOME-funded projects.

Rate

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

Collateral

- Sole first position mortgage (non-recourse).
- Assignment of rents and leases.
- Assignment of Housing Assistance Payments (HAP) contract (if applicable).