

# Affordable Housing Permanent Loan Term Sheet



## Terms

- Up to 17-year terms with up to 35-year amortization.
- 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. For profit developers - LIHTC only.

## Rate

Fixed interest rate locked at time of approval. Rate is determined on a point-in-time basis by the finance department.

## Collateral

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