
QUALIFIED PROPERTIES	Affordable multifamily properties with scheduled moderate renovation per 4% Low-Income Housing Tax Credits (LIHTC)
LOAN AMOUNT	The maximum supportable loan is limited by the lesser of: a) An amount that meets the Loan to Value (LTV) threshold of 90% of market value b) An amount that meets the Debt Service Coverage (DSC) threshold of 1.15x
TERM	No less than 7 years, up to 18 years
AMORTIZATION	Up to 35 years
PREPAYMENT	Yield maintenance
ASSUMPTION	Loan is assumable, subject to Lender approval and a transfer fee
INTEREST RATE STRUCTURE	Risk-based pricing varying per the loan terms; fixed rate and variable rate options are available.
RATE LOCK	Typically, rate lock occurs after loan commitment is issued; early rate lock option may be available within 3-4 weeks of application
PERSONAL LIABILITY	Non-recourse with standard carve-outs for “bad acts”
GAP FINANCING	Provided by Freddie Mac in conjunction with Tax-Exempt Loan; term equivalent to duration of moderate renovation and stabilization; typically interest only; Letter of Credit or cash deposit as collateral is required
SECONDARY FINANCING	Permitted under certain conditions
SUPPLEMENTAL FINANCING	Not permitted
ESCROWS AND RESERVES	✓ Taxes and insurance are escrowed monthly ✓ Replacement reserve is required and the monthly deposit amount is determined in accordance with the Physical Needs Assessment and Fannie Mae guidelines
THIRD PARTY REPORTS	Appraisal, Phase I Environmental Report, Physical Needs Assessment, Zoning, and Moisture Management reports are required; a Seismic Report may be required for properties in Seismic Zones 3 and 4
APPLICATION FEE	Covers third party reports and processing/underwriting costs
FINANCING FEE	Earned at borrower’s acceptance of loan commitment and payable at closing
TIMELINE	75-90 days; streamlined and cost effective alternative to tax-exempt bond credit enhancement with 4% Low-Income Housing Tax Credits; anticipated to significantly reduce cost of issuance, documentation, and transaction participants
