



Partners in Affordable Housing Finance

Construction lender partners include
Wells Fargo Bank, MUFG Union Bank, Silicon Valley Bank,
JPMorgan Chase, Bank of America, U.S. Bank, and Rabobank

Permanent Financing Terms

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| Product: | Permanent mortgage and tax-exempt bond financing for the new construction or rehabilitation of affordable multi-family properties throughout the state of California |
| Borrowers: | Non-profits and for-profits with proven track records in affordable housing development and demonstrated financial capacity |
| Pricing: | <u>Mortgage</u> : 10-year Treasury index + 300-325 bps <u>Tax-exempt</u> : 15-year Muni bond index + 175-200 bps INCLUDES A 24-MONTH FORWARD RATE LOCK Rate lock periods of up to 36 months are available |
| Term: | An 18 year term with up to a 30 year (or 35 year for bonds) amortization, or a fully amortized 30 year (or 35 year for bonds) loan with a rate adjustment at year 16 |
| DSC: | 1.15 – 1.20 based on restricted NOI |
| LTV: | The least of 85% of restricted value and 75% of de-control value 80% of as-is market value for properties with Project-Based Section 8 |
| Subsidies: | Subsidy contract overage income for the term of the contract can be leveraged with rents underwritten to the lesser of the market rents or the contract rents |
| Reserves: | Generally follow TCAC, investor, and subordinate lender requirements |
| Conversion: | 95% occupancy for 90 days, property operations support the required DSC, and 90% of tax credit equity funded |
| Prepayment: | Subject to the greater of a yield maintenance formula or 1% of the outstanding principal balance for the first 15 years of the loan or bond, and 1% of the outstanding principal balance thereafter |
| Loan Fees: | \$2,000 application fee plus origination fee of the greater of 1% of loan amount or \$7,500 |
| Other Costs: | Appraisal (shared with construction lender), Appraisal review, Phase I Environmental Site Assessment review, and legal cost |
| Documents: | One set of pre-negotiated documents for construction and permanent loans |

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