



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 Mechanics Bank

Permanent Financing Terms

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 + 260 - 280 bps <u>Tax-exempt</u> : 10-year Treasury index + 220 - 240 bps INCLUDES A 30-MONTH FORWARD RATE LOCK Rate lock periods of up to 36 months are available
Term:	A 15-18 year term with up to a 35 year amortization, or up to a fully amortizing 35 year loan with a rate adjustment at year 16
DSCR:	1.15 based on restricted NOI
LTV:	85% of restricted value For properties with a HUD-sourced project-based subsidy such as Section 8 or SPRAC: <ul style="list-style-type: none">• 80% of market value with subsidy income if the subsidy contract is deemed to be renewing in perpetuity• 85% of the restricted value plus the net present value of the subsidy over the term of the subsidy contract if the subsidy contract is deemed to have a finite term
Subsidies:	Project-based subsidy contract coverage 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 DSCR, 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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