



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, Mechanics Bank and Pacific Western 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:** Mortgage: 10-year Treasury index + 260 - 280 bps {10 Year Treasury Floored
Tax-exempt: 10-year Treasury index + 220 - 240 bps at 1.30%
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:
 - 80% of Section 8 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 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 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 \$10,000
- 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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