



Partners in Affordable Housing Finance

Construction lender partners
Wells Fargo Bank, Silicon Valley Bank, JPMorgan Chase, Bank of America,
U.S. 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 + 280 -300 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
Term:	A 15–18-year term with up to a fully amortizing 35 year loan with a rate adjustment at year 16
Amort	30 – 35 years.
DSCR:	1.15 -1.20
LTV:	Up to 90% 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 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 finiteterm.
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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