



## Partners in Affordable Housing Finance

Construction lender partners include  
Wells Fargo Bank, JPMorgan Chase, Bank of America and  
U.S. Bank

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### 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 + 280 - 300 bps  
Tax-exempt: 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 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:
- 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 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

**For financing information, contact Mark Rasmussen**

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