



## 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

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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:	<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 decontrol value For properties with a HUD-sourced project-based subsidy such as Section 8 or SPRAC: <ul style="list-style-type: none"><li>• 80% of market value with subsidy income if the subsidy contract is deemed to be renewing in perpetuity</li><li>• 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</li></ul>
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 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

**For financing information, contact Mark Rasmussen**

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