



HUD RENTAL ASSISTANCE DEMONSTRATION (RAD) MULTIFAMILY RENTAL HOUSING TERM SHEET

Purpose	<p>Long-term, fixed rate lending specifically for Public Housing Authority conversions from Public Housing to Section 8 Project Based Rental Assistance under HUD's RAD program.</p> <p>This loan product is designed for RAD conversions <i>not</i> using the Low Income Housing Tax Credit program as part of the financing structure.</p>
Eligible Borrowers	Public Housing Authorities (PHAs) and non-profit affiliates.
Eligible Developments	<p>Developments must be residential rental housing for families, elderly, or people with disabilities. The development must previously have been funded under HUD public housing and is converting to Section 8 Project Based Rental Assistance under HUD's RAD program.</p> <p>Financing may be for:</p> <ul style="list-style-type: none"> • Acquisition and/or rehabilitation of existing buildings • New construction (replacement housing) <p>WHEDA has other loan products specifically designed to finance developments using the 4% LIHTC or 9% LIHTC programs. Please consult a WHEDA Commercial Lending Officer.</p>
Minimum Set-Aside Units	<p>20% of all units set-aside for households with incomes not exceeding 50% of County Median Income (CMI).</p> <p>OR</p> <p>40% of all units set-aside for households with incomes not exceeding 60% of CMI.</p> <p>Total rent plus utilities cannot exceed 30% of the respective CMI levels.</p>
Loan Amount	Minimum loan \$400,000, maximum loan \$5 million.
Rate	Visit our website; www.wheda.com for our most current rates. Rate is locked at loan commitment for 120 days.
Term	35 years maximum.
Amortization	35 years maximum.
Loan-to-Value Ratio (LTV)	<p>85% LTV.</p> <p>Based on market or investment value determined by an appraisal contracted by and acceptable to WHEDA.</p>
Debt Coverage Ratio (DCR)	1.15 minimum.
Credit Enhancements	Typically non-recourse. Construction lending requires either a 15% letter of credit (LOC) or 100% construction performance bond with a 5% LOC, a personal or corporate guaranty may be requested or substituted subject to underwriting. Permanent lending may require a letter of credit, personal or corporate guaranty, additional collateral, etc., based on underwriting.
Prepayment	First 15 years: Allowed, subject to greater of yield maintenance fee or

