



## PERMANENT FINANCING FOR 9% LOW INCOME HOUSING TAX CREDIT (LIHTC) PROJECTS MULTIFAMILY RENTAL HOUSING TERM SHEET

<b>Purpose</b>	Permanent long-term financing for developments that use the 9% tax credit. Can be combined with WHEDA's Construction Plus loan product for easy, one-stop financing.
<b>Eligible Borrowers</b>	Single asset entity.
<b>Eligible Developments</b>	Multifamily developments with a 9% Low Income Housing Tax Credits (LIHTC) award.
<b>Minimum Set-Aside Units</b>	20% of all units set-aside for households with incomes not exceeding 50% of County Median Income (CMI). <b>OR</b> 40% of all units set-aside for households with incomes not exceeding 60% of CMI. Total rent plus utilities cannot exceed 30% of the respective CMI levels.
<b>Loan Amount</b>	\$10,000,000 maximum.
<b>Rate</b>	Visit our website <a href="http://www.wheda.com">www.wheda.com</a> for our most current rates.
<b>Term</b>	35 years maximum.
<b>Amortization</b>	35 years maximum.
<b>Loan-to-Value Ratio (LTV)</b>	85% for-profit managing member. 90% for non-profit managing member.  Based on rent-restricted market value determined by an appraisal contracted by and acceptable to WHEDA.
<b>Debt Coverage Ratio (DCR)</b>	1.175 standard. 1.20 minimum for mixed-income developments.
<b>Credit Enhancements</b>	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.
<b>Prepayment Provision</b>	First 15 years: Allowed, subject to greater of yield maintenance fee or 1% of balance. After 15 years: Allowed, subject to 1% of balance, no yield maintenance fee.
<b>Escrows</b>	Monthly deposits for real estate taxes, special assessments, and replacement reserves; insurance escrows may be required.  Minimum annual replacement reserve requirements are: <ul style="list-style-type: none"> <li>• \$250 per elderly unit</li> <li>• \$300 per RCAC unit</li> <li>• \$300 per family unit</li> </ul>
<b>Operating Reserve</b>	A funded operating reserve account is required. Investors may also require this.
<b>Forward Commitments</b>	There is no forward commitment fee for this product.

<b>Conditions to Funding</b>	The following conditions must be met prior to the funding of the mortgage loan: <ul style="list-style-type: none"> <li>• Realized sustaining occupancy of at least 90% for three consecutive months</li> <li>• Operated at pro forma operating expenses and pro forma rents to produce a minimum 1.20 DCR for three consecutive months</li> <li>• Certification that the property is lien free, and construction defect free</li> <li>• Funded all required operating and debt service reserves</li> <li>• Evidence of construction completion</li> </ul>
<b>Environmental Reviews</b>	Phase I Environmental study, performed and completed by an environmental engineer prior to loan closing.
<b>Capital Needs Assessment (CNA)</b>	Required at time of loan application for existing building(s) (adaptive reuse exempt). Please see <a href="http://www.wheda.com">www.wheda.com</a> for requirements and lists of approved providers.
<b>Origination Fee</b>	1.0% of mortgage loan commitment amount for permanent financing. This fee is waived if WHEDA is construction lender.
<b>Loan Structuring Fee (Non-refundable)</b>	One-half of the origination fee is payable upon acceptance of the Mortgage Loan Commitment; this fee is credited toward the loan origination fee at closing.
<b>Application Fee</b>	\$250 Developments of 24 units or fewer. \$500 Developments of 25 units or more.  <i>Fees are subject to periodic review and change.</i>
<b>For More Information</b>	<p>WHEDA Madison office 1-800-334-6873 201 West Washington Ave., Suite 700 Madison, WI 53703</p> <p>WHEDA Milwaukee office 1-800-628-4833 140 South 1<sup>st</sup> St., Suite 200 Milwaukee, WI 53204</p> <p>TTY/TTD 1-800-943-9430 (Teletypewriter/Telecommunications Device for the Deaf)</p> <p><a href="http://www.wheda.com">www.wheda.com</a></p> <p><i>Loan terms are subject to revision. Some flexibility in terms is permitted if acceptable with secondary market requirements.</i></p>