



CONSTRUCTION PLUS TAX CREDIT DEVELOPMENT MULTIFAMILY RENTAL HOUSING TERM SHEET

Purpose	<p>Construction Plus loans are short-term, variable rate loans with a term of up to 36 months at competitive interest rates.</p> <p>Construction Plus offers financing for up to 90% of the development cost. This allows 9% & Historic tax credit developments to delay the use of tax credit equity until the development is completed and occupied. As a result, developers may be able to obtain maximum pricing for their tax credits.</p> <p>Developments that include 9% & Historic Tax Credits can combine the Construction Plus loan features with WHEDA's permanent financing for easy, one-stop financing.</p>
Eligible Borrowers	For-profit, qualified non-profits, housing authorities, or other entities meeting criteria established by WHEDA.
Eligible Developments	<p>Developments must be residential rental housing for families, elderly, or people with disabilities.</p> <p>Eligible developments include:</p> <ul style="list-style-type: none"> • Apartments, including townhouses • Construction Plus loans are available on new construction, the purchase and renovation of existing multifamily properties and adaptive re-use developments
Minimum Set-Aside Units	<p>20% of all units set-aside for households with incomes not exceeding 50% of County Median Income (CMI). OR 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>
Take-out Financing	A loan commitment for the take-out permanent financing must be provided prior to loan closing.
Tax Credit Equity Agreement	<p>Borrowers obtaining Tax Credits must provide an executed Equity Agreement at, or prior to, the time of closing.</p> <p>Minimum 15% equity installment due at loan closing.</p>
Rate	The interest rate on the loan is adjustable monthly based on the current 1-month LIBOR rate. See www.wheda.com for current rate. Loans extended beyond a 36 month term may be subject to a higher spread above the LIBOR rate. An extension fee will also be assessed.
Term	3 years maximum.
Payments	Monthly interest only payments during the loan term.
Loan-to-Cost Ratio (LTC)	Maximum of 90% loan to cost.
Loan-to-Value Ratio (LTV)	<p>85% for for-profit Borrowers 90% for non-profit Borrowers</p> <p>Based on investment value as demonstrated by an appraisal contracted by and acceptable to WHEDA.</p>
Debt Coverage Ratio (DCR)	Not Applicable. Interest only payments.
Credit Enhancements	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 Provision	Prepayment allowed at any time.
Escrows	Not Applicable.
Environmental Reviews	Phase I Environmental study, performed and completed by an environmental engineer prior to loan closing.
Capital Needs Assessment (CNA)	Required at the time of loan application for existing building(s) (adaptive reuse exempt). Please see www.wheda.com for requirements and list of approved providers.
Origination Fee	1.0% of mortgage loan commitment amount.
Loan Documentation Fee	\$15,000 one-time loan documentation fee on 9% LIHTC loans.
Loan Structuring Fee (Non-refundable)	One-half of the origination fee and legal fee is payable upon acceptance of the Mortgage Loan Commitment; this fee is credited toward the loan origination fee at closing. Borrowers that elect to exchange the origination fee for a higher rate will be required to submit a deposit equal to 0.50% of the mortgage loan amount; this fee will be credited towards closing costs at closing.
Application Fee	\$250 Developments of 24 units or fewer. \$500 Developments of 25 units or more. <i>Fees are subject to periodic review and change.</i>
For More Information	<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 1st St., Suite 200 Milwaukee, WI 53204</p> <p>TTY/TTD 1-800-943-9430 (Teletypewriter/Telecommunication Device for the Deaf)</p> <p>www.wheda.com</p>