

## Tax Incremental Financing (TIF) Term Sheet

Criteria	Loan Policy
<b>Purpose</b>	To provide a permanent source of funds to monetize forecasted tax increment payments from a municipality.
<b>Eligible Borrowers</b>	For-profit, or other entities meeting criteria established by WHEDA.
<b>Eligible Developments</b>	Must be paired with WHEDA financing.
<b>Minimum Set-Aside</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>Term</b>	Match Municipal TIF Developer Agreement term definition.
<b>Amortization</b>	Match Municipal TIF Developer Agreement term definition.
<b>Construction Period</b>	Monthly interest only payments during the construction period.
<b>Loan Sizing</b>	Equal to 90% of net present value of the annual tax reimbursement. <ul style="list-style-type: none"> <li>• Discounted by the current WHEDA Tax-Exempt Financing rate for the duration of the property tax reimbursement.</li> </ul>
<b>Rate</b>	Match WHEDA Tax-Exempt Bonded Financing rate. Permanent fixed-rate financing rate published weekly on <a href="http://www.wheda.com">www.wheda.com</a> .
<b>Origination Fee</b>	1.5% of mortgage loan commitment amount for permanent financing.
<b>Prepayment Provision</b>	Full prepayment allowed at any time. WHEDA TIF funds must be prepaid at or before prepayment of WHEDA 1 <sup>st</sup> mortgage.
<b>Credit Enhancement</b>	Personal or corporate guaranty of TIF increment revenue stream may be required.
<b>Payment</b>	Payment of loan will be made annually in April for prior year. If payment exceeds 100% of the increment due principal will be reduced. If payment is less than 100% of the increment due the borrower must provide funds for the shortfall.
<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>• Evidence of TID existence</li> <li>• Municipal TIF developer agreement(s)</li> <li>• TIF Term Period Definition</li> <li>• Annualized TIF Increment sizing methodology not limited to: <ul style="list-style-type: none"> <li>• Baseline Property Value</li> <li>• Forecasted Stabilized Property Value</li> <li>• Municipal Taxing Rate</li> </ul> </li> </ul>
<b>Loan Structuring Fee</b>	One-half of the origination fee is payable upon acceptance of the Mortgage Loan Commitment Letter; this fee is credited toward the loan origination fee at closing
<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 611 W. National Avenue, Suite 110 Milwaukee, WI 53204</p> <p>TTY/TTD 1-800-943-9430 (Teletypewriter/Telecommunication Device for the Deaf) <a href="http://www.wheda.com">www.wheda.com</a></p>

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