

Funded Forward Commitment for Financing Affordable Multifamily Housing

Property Type:	Affordable multifamily apartments (9% LIHTC).
Loan Size:	\$1,000,000 minimum.
Forward Options:	Funds can be advanced to approved construction lenders ("AA" rated bank) or placed in restricted investment accounts ("AA" rated provider). In the former structure, the bank must provide a letter-of-credit in the amount of the loan.
Term:	24 to 30 months for construction and lease-up, minimum permanent period of 18 years.
Loan Delivery Requirement:	90% occupancy for 90 consecutive days.
Amortization:	30 years.
Debt Service Coverage:	Minimum 1.15.
Loan to Value:	Not to exceed 90%.
Interest Rate:	Spread over applicable treasury as adjusted for loan term, amortization, debt service coverage and loan to value.
Rate Lock:	Rate can be locked up to 30 days prior to construction closing.
Guaranty:	Non-recourse after permanent delivery with standard carve-out. Penalties for non-delivery.
Subordinate Financing:	Allowable, subject to lender underwriting and approval.
Transaction Costs	
Due Diligence Fee:	Subject to complexity of transaction, usually \$20,000. Includes cost of third party reports (appraisal, market study, environmental and cost and plan review).
Other Costs:	Borrower responsible for lender's customary legal fees.
Commitment Fee:	Negotiable.
Prepayment Provisions:	Loans subject to yield maintenance.