

<b>Midlands Housing Trust Fund Loan Products, August 2015</b>			
	<b>BRIDGE LOAN</b>	<b>GAP LOAN</b>	<b>PERMANENT LOAN</b>
<b>MAXIMUM TERM</b>	Up to 12 months	Up to 24 months	Up to 240 months
<b>ELIGIBLE BORROWERS</b>	Nonprofit, for-profits, and government entities, individuals, and LLCs developing eligible properties.		
<b>ELIGIBLE ACTIVITIES</b>	Predevelopment, acquisition, rehab, construction, and permanent		
<b>AFFORDABILITY REQUIREMENTS</b>	At or below 80% of Area Median Income with a mandatory affordability covenant up to 20 years.		
<b>SECURITY</b>	Must be secured by a note and mortgage or other collateral deemed appropriate by the loan committee, willing to subordinate depending on development feasibility.		
<b>TAKEOUT FINANCING</b>	Written construction or permanent financing commitment required.		
<b>DEBT SERVICE COVERAGE</b>	Typically a minimum of 1.20, with a pre-funded operating reserve on permanent loans.		
<b>LOAN AMOUNTS</b>	<ul style="list-style-type: none"> <li>• <u>Minimum</u> loan amount of \$7,500</li> <li>• <u>Maximum</u> loan amount typically equal to the greater of \$250,000 or 50% of total loan capital, or as otherwise approved by the Board.</li> </ul>		
<b>INCENTIVES</b>	Interest rate discounts: <ul style="list-style-type: none"> <li>• Up to 0.5% for developments at 50% of area median income and below</li> <li>• Up to 1% for developments at 30% of area median income and below</li> <li>• Up to 0.5% for developments that are certified green by LEEDS, Earth craft, Green Communities, or NAHB</li> </ul>		
<b>PAYMENT</b>	Bridge and Gap Loans: Negotiable. Potentially interest-only through construction; principal and remaining interest due in full upon construction completion. Financing may cover prefunded interest reserve.		Permanent Loans: Equal monthly payments of principal and interest. <sup>1</sup>
<b>ORIGINATION FEE and OTHER FEES</b>	<b>Affordability Percentage of Project</b> 51% up to 100% of the units in the project are affordable 26% up to 50% of the units in the project are affordable Up to 25% of the units in the project are affordable (Borrower pays all closing costs and attorneys' fees (lender's and borrower's))		<b>Loan Origination Fee</b> up to 1.5% up to 2.0% up to 2.5%
<b>SECURITY ASSURANCES</b>	Appraisal, environmental assessment, title insurance, liability and flood plain insurance, certificate of occupancy, and inspection.		
<b>INTEREST RATE(S)</b>	Determined by the Board. Vary according to source(s) and cost of available funds.		

<sup>1</sup> Permanent Loans may also be Construction/Permanent loans where interest only is charged during construction and the loan is then converted to a Permanent Loan with Principal & Interest (if any) paid monthly for a term not to exceed 240 months unless otherwise approved by the Board.