

# Tax-Exempt Bond Credit Enhancement

<b>BENEFITS</b>	<ul style="list-style-type: none"> <li>• Low borrowing cost, "AA+" rating keeps the interest rates on bonds low.</li> <li>• Supports affordable rental housing stock.</li> <li>• Flexible structures.</li> <li>• Certainty and speed of execution.</li> </ul>
<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• Multifamily Affordable Housing (MAH) properties with 4% Low-Income Housing Tax Credit (LIHTC) rent restrictions.</li> <li>• New money issues, refundings or credit substitutions.</li> </ul>
<b>TERM</b>	10 - 30 years (minimum 15 years for new construction and substantial rehabilitation).
<b>AMORTIZATION</b>	Up to 35 years.
<b>INTEREST RATE</b>	Fixed-rate.
<b>MAXIMUM LTV</b>	<p>90% for 4% LIHTC properties with at least 90% of the units meeting affordability requirements.</p> <p>85% for 4% LIHTC properties with less than 90% of the units meeting affordability requirements.</p> <p>80% for refundings.</p>
<b>MINIMUM DSCR</b>	<p>1.15x for 4% LIHTC properties with at least 90% of the units meeting affordability requirements.</p> <p>1.20x for 4% LIHTC properties with less than 90% of the units meeting affordability requirements and for refundings.</p>
<b>PREPAYMENT AVAILABILITY</b>	Flexible prepayment options available.
<b>THIRD-PARTY SUBORDINATE FINANCING</b>	Hard subordinate debt (which requires scheduled repayment of principal) is permitted only if provided by a public, quasi-public, or not-for-profit lender and combined debt service coverage cannot fall below 1.05x. Soft subordinate debt is permitted subject to requirements which include capping payments at 75% of available Property cash flow after payment of senior liens and Property operating expenses.
<b>RECOURSE</b>	Non-recourse execution with standard carve-outs for "bad acts" such as fraud and bankruptcy.
<b>ESCROWS</b>	Replacement reserve, tax and insurance escrows are typically required.
<b>THIRD-PARTY REPORTS</b>	Standard third-party reports are required, to include Appraisal, Phase I Environmental Site Assessment, Property Condition Assessment and other reports as applicable.
<b>ADDITIONAL CONSIDERATIONS</b>	The Credit Enhancement Instrument issued by Fannie Mae is provided in accordance with the terms of a Reimbursement Agreement between the Borrower and Fannie Mae, among other documents.

[NEWPOINT.COM](http://NEWPOINT.COM)



This sheet sets out the general guidelines of a loan program and is designed solely as an aid to prospective borrowers and other clients. It does not represent or imply a contract or a commitment to lend funds. A commitment to lend funds may only be made by a written letter issued by NewPoint to a prospective borrower. This term sheet is subject to change at any time without notice at the sole discretion of NewPoint Real Estate Capital LLC. Arizona Commercial Mortgage Banker License CBK - 0926535; California Finance Law License 603 F812. California commercial real estate broker activities are conducted through NewPoint Real Estate Capital Corporation (California Department of Real Estate Broker License No. 01995692, which is a wholly owned subsidiary of NewPoint Real Estate Capital LLC. New York Real Estate Broker Company License No. 10991236549. To view NewPoint's complete licensing information please visit [newpoint.com/licensing-disclosures](http://newpoint.com/licensing-disclosures).

©2022 NewPoint Real Estate Capital LLC. All rights reserved.

