

# Reduced Occupancy Affordable Rehab Execution

<b>BENEFITS</b>	<ul style="list-style-type: none"> <li>• Flexible permanent loan solution that allows the sponsor to rehabilitate more efficiently.</li> <li>• Eliminates need for a construction loan or forward commitment.</li> <li>• Increased leverage opportunities when underwritten to as-improved rents.</li> <li>• Interest only during rehab period.</li> </ul>
<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• Existing, stabilized Multifamily Affordable Housing properties undergoing renovations.</li> <li>• Borrowers and Lenders with demonstrated experience.</li> <li>• Available for both acquisition and refinance.</li> </ul>
<b>TERM</b>	5 - 30 years.
<b>AMORTIZATION</b>	Up to 35 years.
<b>INTEREST RATE</b>	Fixed- and variable-rate options. Variable-rate only available for a Credit Enhancement Mortgage Loan for a bond transaction.
<b>MAXIMUM LTV</b>	Up to 90% "as stabilized."
<b>MINIMUM DSCR</b>	1.15x – 1.20x "as stabilized."
<b>EXECUTION</b>	Cash or Credit Enhancement Mortgage Loan for a bond transaction. Interest only available, structured to match the rehab period.
<b>LOAN SIZE</b>	\$5,000,000 minimum. No maximum.
<b>ELIGIBLE PROPERTIES</b>	Stabilized Multifamily Affordable Housing properties undergoing renovations up to \$120,000 per unit.
<b>ELIGIBLE BORROWERS</b>	Strong borrowers with demonstrated tenant-in-place rehab track record.
<b>RATE LOCK</b>	30- to 180-day commitments.
<b>PREPAYMENT AVAILABILITY</b>	Flexible prepayment options available, including yield maintenance and declining prepayment premium.
<b>REHAB PERIOD</b>	12 – 15 months.
<b>REHAB PERIOD OCCUPANCY</b>	During the rehabilitation period occupancy may drop from stabilized levels to a minimum of 50%.
<b>REHAB PERIOD DSCR</b>	<p>During the rehabilitation period, DSCR may drop from stabilized levels to a minimum of:</p> <ul style="list-style-type: none"> <li>• 1.0x (Interest-only basis)</li> <li>• 0.75x (Amortizing basis)</li> </ul>
<b>REHAB ESCROW</b>	Rehab funds escrowed by Lender.
<b>RE-STABILIZATION</b>	Fully stabilized no later than 15 months after loan origination.
<b>FANNIE MAE UW FEE</b>	3 bps.
<b>RECOURSE</b>	Non-recourse execution with standard carve-outs for "bad acts" such as fraud and bankruptcy. Construction Completion and Operating Deficit Guarantees required during the rehab and stabilization period.

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