

NewPoint Impact Synthetic 221(d)(4)

NewPoint finances the new construction or acquisition/rehabilitation of a project and rate locks an FHA 223(f) refinancing at the close of construction.

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| ELIGIBILITY | <ul style="list-style-type: none"> Nationwide rental projects financed in conjunction with 4% LIHTC. Borrowers may be for-profit or 501(c)(3) that have previous experience with FHA lending programs. |
| MINIMUM INVESTMENT AMOUNT | \$8 million. |
| PERMANENT SIZING | Typical FHA 223(f) requirements. |
| CONSTRUCTION SIZING | Permanent sizing plus any amounts necessary to satisfy the 50% test. Ability to bridge LIHTC with credit-worthy counterparties. |
| INTEREST RATE | Fixed rate. Rate equals investor spread plus FHA servicing fee, plus GNMA guarantee fee plus MIP. Investor spread steps down upon delivery of the GNMA MBS. |
| AMORTIZATION | 35 years. |
| GUARANTEES | Completion and Stabilization. |
| CONVERSION | Financing must satisfy the FHA 223(f) program. |
| PREPAYMENT | Typical FHA stepdown. Initially 10pts and declining 1pt per year. Negotiable. |
| MATURITY | 35 years. |
| CONVERSION MECHANICS | Project is underwritten pursuant to the FHA 223(f) program after stabilization. Upon delivery of the GNMA MBS, the fixed rate on the bonds is decreased by an agreed upon amount. |
| RATE SETTING MECHANICS | Both the construction rate and the permanent rate are set at the closing of the construction phase. |

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