

# Transitional Line of Credit (TLC)

<b>TERM</b>	<ul style="list-style-type: none"> <li>• 3- or 5-year interest-only.</li> <li>• Two conditional 1-year extension options.</li> </ul>
<b>COMMITMENT AMOUNT</b>	<ul style="list-style-type: none"> <li>• \$100 million preferred minimum.</li> <li>• Up to 50% of initial commitment amount in expansion rights.</li> </ul>
<b>BORROWERS</b>	Seasoned and well-capitalized multifamily owner/operators with strong credit performance; preferably with prior credit facility borrowing experience.
<b>GUARANTOR FINANCIAL COVENANTS</b>	10% liquidity and 30% net worth.
<b>INTEREST RATE TYPE</b>	Floating.
<b>COLLATERAL</b>	First-lien mortgages of mission-based workforce housing (not available for Small Balance Loans)
<b>CROSSED TLC</b>	<ul style="list-style-type: none"> <li>• LTV/DSCR sublimits measured at the TLC level with no limits at the property level.</li> <li>• No minimum occupancy requirement.</li> </ul>
<b>UNCROSSED TLC</b>	<ul style="list-style-type: none"> <li>• Each property is evaluated individually and must meet the sublimit requirements individually.</li> <li>• No minimum occupancy requirement.</li> </ul>
<b>TYPICAL LTV RANGE</b>	50% - 75%.
<b>MINIMUM INTEREST-ONLY DSCR</b>	<p>Minimum DSCR varies by product type:</p> <ul style="list-style-type: none"> <li>• Conventional Multifamily: 1.45x.</li> <li>• Manufactured Housing Communities: 1.45x-1.50x.</li> <li>• TAH: 1.40x*.</li> <li>• Uncrossed Pools Added: +0.10x.</li> </ul> <p>*Subject to Freddie Mac review/approval.</p>
<b>UNDERWRITING RATE (FOR MOST MARKETS)</b>	<ul style="list-style-type: none"> <li>• Without interest rate cap: index floor + stress rate (100 bps) + gross spread.</li> <li>• With interest rate cap: cap strike rate + gross spread.</li> </ul>
<b>INTEREST RATE CAP</b>	Third-party caps are recommended.
<b>COMMITMENT FEE AND PROPERTY ADDITION FEE</b>	<ul style="list-style-type: none"> <li>• Commitment fee: 5 basis points.</li> <li>• Addition fee: 10 basis points.</li> </ul>
<b>EXTENSION FEE</b>	\$50,000 for each extension year.
<b>UNUSED COMMITMENT FEE</b>	20 basis points charged annually on the difference between the commitment amount and UPB drawn.

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## Transitional Line of Credit

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**SEASONING FEE** 50 basis points charged annually at the asset level beginning in the fourth year the asset is in the TLC.

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**Securitized Product Exit**

- No release fee.
- If exit into floating-rate securitized product, increased call protection may be required.

**ASSET RELEASE FEE**

**Property Sale**

1% of the allocated loan amount; waived if new buyer finances with a Freddie Mac securitized product.

**All Other Exits**

- Years 1 to 3 of facility: 2% of the allocated loan amount.
  - After year 3 of facility: 1% of the allocated loan amount.
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