

Credit Enhancement of Variable-Rate Tax-Exempt Bonds

BENEFITS	<ul style="list-style-type: none"> • Low borrowing cost: "AA+" rating keeps interest rates on bonds low. • Supports affordable rental housing stock. • Flexible structures. • Certainty and speed of execution.
ELIGIBILITY	<ul style="list-style-type: none"> • Multifamily Affordable Housing properties. • Multifamily properties in which at least 20% of the units are set aside for low-income residents (also known as "80/20" deals). • Bond terms up to 30 years. • Refundings or new issues. • Newly constructed or rehabilitated and stabilized 4% LIHTC with tenant-in-place rehab component.
TERM	7 – 30 years.
AMORTIZATION	Up to 35 years.
MAXIMUM LTV	Up to 85%.
MINIMUM DSCR	1.00x, using a DSCR calculated based on a variable underwriting rate. Mortgage loan amount shall not exceed that of a fixed-rate loan of similar terms.
VARIABLE UNDERWRITING RATE	<p>Sum of:</p> <ul style="list-style-type: none"> i. the Stressed SIFMA Index rate, plus ii. the investor spread, guaranty fee and servicing fee (the "Margin"), plus iii. the interest rate cap escrow expressed as a percentage (if the cap term is shorter than the loan term), plus iv. on-going bond fees expressed as a percentage (Bond Issuer Fees, Trustee Fees, etc).
INTEREST RATE ADJUSTMENTS	Interest rate adjusts based on the changes to the underlying Index and is equal to the Index plus the Margin. No limit on rate changes.
INDEX	SIFMA.
INTEREST RATE FLOOR	The interest rate should never be less than the Margin.
RATE LOCK	30-day commitments.
PREPAYMENT AVAILABILITY	Flexible prepayment options available.
ACCRUAL	Actual/360.
INTEREST RATE CAP	The Borrower must purchase an interest rate cap from an approved interest rate cap provider. The term of the initial interest rate cap need not be equal to the term of the Mortgage Loan but must be for at least 5 years. If the Mortgage Loan term is longer than the interest rate cap term, the Borrower must escrow monthly for the purchase of the next interest rate cap.
ISSUER AND TRUSTEE FEES	Loan sizing must include underwriting of the Issuer and Trustee Fees; however, Issuer and Trustee Fees are paid directly by borrower and are not enhanced or passed through by Fannie Mae.

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. Nevada Mortgage Company License 5605. California DFPI Finance Law License 603F812. California commercial real estate broker activities are conducted through NewPoint Multifamily 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. North Carolina Collection Agency Permit No. 112712. North Dakota Money Broker License MB104168. South Dakota Non-Residential Mortgage Lender License 1140125.ML-NR. To view NewPoint's complete licensing information please visit newpoint.com/licensing-disclosures.



Credit Enhancement of Variable-Rate Tax-Exempt Bonds

LOAN DOCUMENTS	Documented on Fannie Mae loan documents. Issuer must utilize the Fannie Mae form Indenture.
THIRD-PARTY SUBORDINATE FINANCING	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.
RECOURSE	Non-recourse execution with standard carve-outs for “bad acts” such as fraud and bankruptcy.
ESCROWS	Replacement reserve, tax and insurance escrows are typically required.
THIRD-PARTY REPORTS	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment and Property Condition Assessment.

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. Nevada Mortgage Company License 5605. California DFPI Finance Law License 603F812. California commercial real estate broker activities are conducted through NewPoint Multifamily 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. North Carolina Collection Agency Permit No. 112712. North Dakota Money Broker License MB104168. South Dakota Non-Residential Mortgage Lender License 1140125.ML-NR. To view NewPoint's complete licensing information please visit newpoint.com/licensing-disclosures.

