

# 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.

[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. 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](http://newpoint.com/licensing-disclosures).

