

# Sponsor-Initiated Affordability (SIA)

<b>BENEFITS</b>	<ul style="list-style-type: none"> <li>• Flexible loan terms.</li> <li>• Competitive pricing.</li> <li>• Supports socially responsible investing.</li> <li>• Potential DSCR Flexibility to 1.20 on a Pre-Review basis for deals with deeper affordability*.</li> <li>• Speed in processing and underwriting.</li> </ul>
<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• Existing, stabilized Conventional properties.</li> <li>• Minimum of 20% of units are affordable at 80% of AMI or less, as adjusted for family size.</li> <li>• Rent does not exceed 30% of adjusted AMI for unit size.</li> <li>• Structured ARM Loans with less than a two-year lockout period are not eligible for pricing incentives.</li> <li>• Rent and income restrictions must be in place by the Mortgage Loan Origination Date.</li> </ul>
<b>TERM</b>	5 – 30 years.
<b>AMORTIZATION</b>	Up to 30 years.
<b>INTEREST RATE</b>	Fixed- and variable-rate options available.
<b>MAXIMUM LTV</b>	80%.
<b>MINIMUM DSCR</b>	1.25x, with potential flexibility to go to 1.20*.
<b>SPONSOR-INITIATED AFFORDABILITY AGREEMENT</b>	Borrower executes a Sponsor-Initiated Affordability Agreement (Form 6490) that is recorded against the Property and remains in place during the entire Mortgage Loan term. Borrower also executes Modifications to Multifamily Loan and Security Agreement (Sponsor-Initiated Affordability Restrictions) (Form 6271) and the Key Principal executes a Payment Guaranty (Pricing Incentive Recapture) (Form 6020.PIR).
<b>ANNUAL COMPLIANCE REQUIREMENTS</b>	The affordability compliance requirements must be managed by a third-party Administering Agent and include annual verification of the rent and income restrictions.
<b>EXECUTION OPTIONS</b>	MBS.
<b>SUPPLEMENTAL FINANCING</b>	Supplemental Mortgage Loans are available.
<b>PREPAYMENT AVAILABILITY</b>	Mortgage Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate Mortgage Loans or declining prepayment premium for variable-rate Mortgage Loans.
<b>RATE LOCK</b>	30- to 180-day Rate Lock periods are available.
<b>ACCRUAL</b>	30/360 and Actual/360.
<b>ESCROWS</b>	Replacement reserve, tax and insurance escrows are typically required.
<b>THIRD-PARTY REPORTS</b>	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment and Property Condition Assessment.
<b>ASSUMPTION</b>	Mortgage Loans are typically assumable, subject to review and approval of the proposed new borrower's financial capacity and experience.

[NEWPOINT.COM](https://www.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](https://www.newpoint.com/licensing-disclosures).



## Sponsor-Initiated Affordability (SIA)

### ASSET MANAGEMENT

The Property must be compliant with the Sponsor-Initiated Affordability Agreement within 12 months of the Mortgage Loan Origination Date. Lender is responsible for notifying Fannie Mae of non-compliance.

### \*POTENTIAL DSCR FLEXIBILITY ON A PRE-REVIEW BASIS

DSCR at 1.20 will be considered on a Pre-Review, case-by-case basis if the Property meets the following criteria:

- Property located in a Strong or Eligible MSA market.
- At least 50% of the residential units have rents and incomes restricted at 80% of AMI or less.
- Actual rents on restricted units are at least 10% below comparable market rents.
- The Borrower is an Affiliate of a repeat Sponsor.

[NEWPOINT.COM](https://www.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](https://www.newpoint.com/licensing-disclosures).

