



**Tax-Exempt Bond Credit Enhancement
 of Apartment Properties
 Fixed and Variable-Rate Options**

ELIGIBLE PROPERTIES:

Credit enhancement of apartment properties financed with tax-exempt bonds where the affordable unit set aside is at least 20% at 50% or 40% at 60% of area median income (adjusted for family size). Typically these properties will have 4% Low Income Housing Tax Credits.

Can be used in combination with Affordable Housing Forward Commitment Program.

LOAN TYPE:

A minimum term of 15 years with a maximum term of 25 to 30 years.

PREFERRED LOAN SIZE:

\$3 million and larger.

MAXIMUM LOAN:

Amount equal to the lesser of:

Fixed-Rate:

1. 90% of appraised value (85% of favorable financing value); or
2. 1.15 debt service coverage.

Variable-Rate:

1. 85% of appraised value (80% of favorable financing value); or
2. 1.00 debt service coverage based on the Underwriting Interest Rate. The Underwriting Interest Rate utilizes a 6% Bond Market Association (BMA) Municipal Swap Index, plus credit enhancement fees and all ongoing fees such as annual issuer and trustee fees.

FIXED RATE STRUCTURE:

Rate fixed to maturity of the bonds, or an interest rate reset and remarketing of the bonds as early as 15 years from the closing date.

VARIABLE RATE STRUCTURE:

Weekly Rate Mode, with option to convert to fixed-rate.

An interest rate cap is required for variable-rate transactions. The interest rate cap must have a minimum duration of 5 years with a 6% "strike rate". Variable-rate loans using an interest rate cap with a 5-year term require the establishment of a cash reserve for the purchase of subsequent interest rate caps.

hardworking + successful + prepared + accomplished
innovative + versatile + knowledgeable + resourceful
reliable + efficient + collaborative + flexible + creative
accountable + prepared + problem solver
flexible + responsive +

PERSONAL RECOURSE:

None, except for standard exceptions to non-recourse which are the responsibility of the Key Principal(s).

ASSUMABILITY:

Assumable, subject to CWCapital approval and a 1% transfer fee.

PREPAYMENT:

Fixed: Lockout and prepayment provisions typically correspond to the tax-exempt bond requirements and the present value of any unpaid Fannie Mae credit enhancement fees plus any unpaid lender servicing fees during the first ten years.

Variable: Equal to the present value of any unpaid Fannie Mae credit enhancement and liquidity fees and any unpaid lender servicing fees during the first seven to ten years.

SUBORDINATE FINANCING:

Subordinate financing may be allowed under certain circumstances.

ESCROWS:

125% to 150% of estimated cost of required repairs, if any, as determined by physical inspection.

Monthly escrows for real estate taxes, property insurance and replacement reserves are required.

APPLICATION FEE:

Based on estimated underwriting costs for appraisal, architectural / engineering report, market study, environmental assessment and other loan processing costs.

FINANCING FEE:

Negotiable.

CLOSING EXPENSES:

Standard transaction costs, including legal fees, title insurance and survey.

PRELIMINARY SUBMISSION PACKAGE:

Include the following in your request for a loan quote:

1. Property description and location map.
2. Representative color photographs.
3. Current rent roll and year-to-date operating statement.
4. Operating history - prior 3 years, if available.
5. Current year operating budget.
6. Existing debt and cost basis.
7. Sponsor resume.