



**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 (80% of favorable financing value); or
2. 1.20 debt service coverage.

Variable-Rate:

1. 85% of appraised value; or
2. 1.20 debt service coverage based on the Underwriting Interest Rate. The Underwriting Interest Rate is at least 200 basis points over the 52 week trailing average of the 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 "strike rate" up to 100 basis points over the underwriting interest 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
negotiable + 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: <ol style="list-style-type: none">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.