



**Affordable Housing  
 Forward Commitment  
 for New Construction or  
 Substantial Rehabilitation**

**ELIGIBLE PROPERTIES:**

New construction or substantial rehabilitation of Multifamily Affordable Housing. Multifamily Affordable Housing is housing that meets or exceeds the income and rent restrictions of the Low Income Housing Tax Credit (LIHTC) program. This program is typically used for 9% LIHTC projects.

**LOAN TYPE:**

Balloon mortgages with 18-year terms or fully amortizing structures are available.

Loan funds will be advanced to an approved Construction Lender in a lump sum or in installments. Requires credit support during the Forward Commitment Term in the form of a Letter of Credit from an "A" or better rated institution. Unfunded Forward Commitments available with no credit support required.

**PREFERRED LOAN SIZE:**

\$3 million and larger.

**MAXIMUM LOAN:**

Amount equal to the lesser of:

1. 85% of appraised value (90% with HUD risk sharing); or
2. 1.15 debt service coverage (1.10 with HUD risk sharing).

**INTEREST RATES:**

Determined by market rates at the time of rate lock. Rates vary by loan-to-value ratio, debt service coverage and property quality. Variable rate available during construction period.

**FORWARD COMMITMENT TERM:**

Up to 24 months with one 6-month extension, longer forward commitment terms available.

**AMORTIZATION:**

Up to 30 years.

**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:**

Yield maintenance.

**SUBORDINATE FINANCING:**

Allowed up to 95% aggregate loan-to-value with a minimum aggregate debt service coverage of 1.10 for foreclosable subordinate debt. For "soft" debt, debt service cannot exceed 75% of cash flow after payment of operating expenses, reserves, escrows, and senior debt.

**ESCROWS:**

Monthly escrows for real estate taxes, property insurance and replacement reserves upon permanent loan closing.

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

<b>APPLICATION FEE:</b>	The greater of \$3,000 or 0.1% of the maximum mortgage amount.
<b>DUE DILIGENCE FEE:</b>	Based on estimated underwriting costs for appraisal, architectural / engineering report, market study, environmental assessment and other loan processing costs.
<b>FINANCING FEE:</b>	Negotiable.
<b>CLOSING EXPENSES:</b>	Standard transaction costs, including legal fees, title insurance and survey.
<b>FREDDIE MAC DEPOSITS:</b>	<p>A forward commitment deposit equal to 2% for funded forwards and 3% for unfunded forwards of the commitment amount to be paid prior to rate lock. Deposit may be in cash or letter of credit and will be refunded/released upon delivery of the permanent loan.</p> <p>At construction loan closing, the Borrower must execute a 5% delivery assurance note in favor of Freddie Mac, secured by a subordinate lien. The lien will be released upon permanent loan closing.</p>
<b>PERMANENT LOAN CLOSING:</b>	Project completion with Certificate of Occupancy for all units, 90% occupancy for 90 consecutive days.
<b>PRELIMINARY SUBMISSION PACKAGE:</b>	<p>Include the following in your request for a loan quote:</p> <ol style="list-style-type: none"><li>1. Property description and unit mix with proposed rent schedule.</li><li>2. Rent and Occupancy Restrictions.</li><li>3. Location Map.</li><li>4. Developer's pro forma income and expenses.</li><li>5. Anticipated sources and uses of funds schedule detailing development costs.</li><li>6. Sponsor resume.</li></ol>