



AFFORDABLE ADVANTAGE MORTGAGE

LOAN PARAMETER OVERVIEW

Description	Fixed-rate, first lien permanent mortgage financing for: refinance, stabilized new construction, acquisition/minimal rehabilitation. Loans require FHA Risk Share Insurance with approvals handled by IHDA.
Loan Amount	\$1,000,000 - \$10,000,000 (requires FHA Risk Share Insurance)
Loan Term & Amortization	15 - 40 years Loan Term depends on project type. Loan terms resulting in balloon payments will be considered on a case by case basis.
Loan-to-Value (LTV) & Debt Service Coverage Ratio (DSCR)	<u>New Construction/Substantial Rehab (up to 40-year term)</u> 1.11 or 90% of NOI for projects with 90% or greater rental assistance. 1.15 or 87% of NOI for affordable housing transactions. <u>Refinance/Acquisition/Mod Rehab (up to 35-year term)</u> 1.15 or 87% of NOI for projects with 90% or greater rental assistance. 1.176 or 85% of NOI for affordable housing transactions. LTV & DCR are based on FHA Risk Share Insurance standards and loan type. Maximum loan term cannot exceed 75% of building's remaining economic life. Must adhere to FHA per unit Statutory Limit. Assumes rents are at least 10% below appraised market rents.
Affordability Requirements	As limited by LIHTC program and Land Use Restriction Agreement (LURA)
Recourse	Non-recourse with standard industry carve outs and environmental indemnity.
3rd Party Studies	Sponsors are required to provide studies, reliance letters, and insurance certificates (when required) from vendors that follow IHDA's published standards. Studies include, but are not limited to: market study, environmental, appraisal, insurance, and PNA.
Interest Rate	Fixed-rate based upon the 10-year U.S. Treasury yield plus a spread. Indicative rates posted on IHDA's website and upon request. Interest rate may vary based on term. Rates include Mortgage Insurance Premium (MIP), servicing, and trustee/custodian fees. Rates assume 50/50 FHA Risk Share and are subject to change based on the level of Risk Share selected by IHDA.
Payments	Monthly – principal and interest (30/360 calculation)
Lockout	10-years from commencement of amortization.
Wage Requirements	Davis Bacon labor standards and prevailing wage requirements apply.
Subsidy Layering Review	Required on loans with tax credits, HUD/government assistance, and/or FHA Risk Share insurance.
Limited Distributions	Limited Distributions, including both the equity base and annual distribution percentage, may be required in accordance with IHDA's Limited Distribution policy and, if applicable, Section 8 restrictions.
Guaranty / Mortgage Credit Review	Mandatory for the borrower(s), the sponsor(s), the guarantor(s), and each underlying entity/owner.
Application Fee	\$2,500 (for-profit); \$1,500 (not-for-profit) (non-refundable)
Origination Fee	1.0% of the loan amount; \$35,000 minimum.
Fees and Costs	Borrower will reimburse reasonable and customary costs of IHDA related to closing the loan.
Good Faith Deposit	Minimum \$50,000 (non-refundable)

For more information, please visit IHDA's website: www.ihda.org/developers

Andy DeCoux

Director
Multifamily Financing
111 E Wacker Dr
Suite 1000
Chicago, IL 60601
(312) 836-5355
adecoux@ihda.org

The contents of this Overview are for informational purposes only. This Overview is not a commitment of any kind. Programs, fees, rates, terms and conditions are subject to change without notice. All applications are subject to the satisfaction of the Authority's review, underwriting and credit approval. The Authority is not obligated to make any financing available. The Authority may accept, modify, or reject an application and/or the terms and conditions of financing, at any time in its sole and absolute discretion.

Financing the creation and preservation of affordable housing

Effective Date: Nov 2016