

IHDA PROGRAM BONDS

Section 542 (C) Risk-Sharing Credit Enhanced Bond Structure.

Description	IHDA serves as bond issuer and lender and provides a credit enhancement through the Section 542(c) Risk-Sharing Program.
Project Types	4% LIHTC
Loan Overview	
Bond Loan Amount	\$3,000,000+
Bond Loan Term & Amortization	15-40 years <i>Loan terms with a balloon structure will be considered on a case-by-case basis. Maximum loan term cannot exceed 75% of building's remaining economic life.</i>
Bond Loan-to-Value (LTV)	<u>New Construction/Substantial Rehab (up to 40-year term)</u> 90% (subsidized properties) 87% (affordable properties) <u>Refinance/Acquisition/Mod Rehab (up to 35-year term)</u> 87% (subsidized properties) 85% (affordable properties)
Debt Service Coverage Ratio (DCSR)	<u>New Construction/Substantial Rehab (up to 40-year term)</u> 1.11 (subsidized properties) 1.15 (affordable properties) <u>Refinance/Acquisition/Mod Rehab (up to 35-year term)</u> 1.15 (subsidized properties) 1.176 (affordable properties)
Affordability Requirements	As limited by LIHTC and bond regulatory and extended use agreements
Recourse	<u>Construction:</u> full recourse <u>Permanent:</u> non-recourse
Bond Loan Lockout	<u>Permanent:</u> Minimum of 10-years from commencement of amortization
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, HUD guidelines
Application Fees	
Preliminary Project Assessment (PPA)	\$750 (non-profit); \$1,500 (for profit)
Full Application Fee	\$1,500 (non-profit); \$2,500 (for profit)
Good Faith Deposit	\$50,000 (credited at closing)
Bond and Issuer Fees	
Bond Origination Fee	1.75% (short-term <10 years); 1.00% (>10 years)
Loan Origination Fee	0.50%
Bond Inducement	\$10,000 (if applicable)
Issuer Financial Advisor Fee	\$37,500 (if applicable, varies by deal)
Senior Underwriter Takedown Fee	\$5.00/\$1,000 (if applicable, varies by deal)
Senior Underwriter Management Fee	\$1.25/\$1,000 (if applicable, varies by deal)
Senior Underwriter Expenses	\$1.25/\$1,000 (if applicable, varies by deal)
Cost & Plan Review	\$10,000

Mortgage Insurance Premium (MIP) for HUD Risk-Sharing deals	Fourteen (14) Months of MIP at final close (approx. 0.25% of the Loan Amount included in loan interest rate)
TEFRA and Other Admin Costs	\$5,000
Project Reserves	Six (6) months of debt service and operating expenses
Bond Reserves - Maximum Annual Debt Service Reserve (MADS)	Estimated at six (6) months of debt service reserves at the bond rate for non-conduit deals.
LIHTC Fees	
LIHTC Compliance Fee	\$25 per unit per year
LIHTC Determination/Reservation	1.00% of the 10-year credit amount
Third Party Fees	
Bond Counsel Fee	\$60,000
Issuer's Counsel Fee	\$18,500 (private placement) \$22,500 (public offering)
Rating Agency Fee	Fees based on size and structure of issuance <i>(if applicable)</i>
Trustee/Fiscal Agent	\$3,000 (set up estimated)
Other	
Wage Requirements	Davis Bacon labor standards or Illinois prevailing wage requirements apply.
Subsidy Layering Review	Required on bond loans with LIHTC, HUD/government assistance, and/or Section 542(c) Risk-Sharing
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.

Changes effective as of 9/6/2022.

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.