



PRIVATE PLACEMENT UNFUNDED FORWARD

Rose Community Capital (RCC) is an experience FHA/HUD approved Multifamily Accelerated Processing (MAP) lender, USDA 538 Guaranteed Loan lender, and lender of acquisition, bridge, construction, and permanent loan financing.

Key Notes: The RCC Unfunded Forward loan program is designed for affordable multifamily housing projects with an award of Low-Income Housing Tax Credits (LIHTC), under the IRS Section 42. The loan is designed to complement the LIHTC program with a 15 to 30-year term, 1.15x DSC, and 35- to 40-year amortization to maximize loan proceeds and reduce deferred developer fee. The program is quick and efficient to close, with an average closing time of 90-days from executed application. Rate lock up to 45-days in advance of the full loan commitment. Projects must have a Use Agreement that restricts the projects rents and occupancy to income qualifying residents for a term no shorter than the life of the loan. The RCC Unfunded Forward is a private placement with a third-party investor; RCC will originate, underwrite, and be the main point of contact for the Borrower throughout the process.

LOAN TYPE

Unfunded forward permanent loan

PROPERTY TYPES

Newly constructed or substantially rehabbed LIHTC properties with 40-units or more

NORMAL PROCESSING TIME

90-days average from application to closing

AFFORDABILITY REQUIREMENTS

LIHTC regulatory agreement to assure affordability

PROJECT-BASED RENTAL SUBSIDY

Special loan criteria will be applied to projects with a project-based rental assistance contract equal to or longer than the term of the first mortgage

STABILIZATION REQUIREMENT

90% physical and economic occupancy, and 1.15x DSC for 90 consecutive days

LOAN RESIZING

No fees or rate change for downward adjustment of up to 10%; greater downward adjustments require payment of shortage or breakage fee

MAX LOAN AMOUNT

\$2,000,000 and above, smaller loans considered on a case-by-case basis

Maximum loan is determined by the lowest of the following:

1. 90% of fair market value based on restricted income; applies to all loans with hard debt service payments
2. 1.15x DSCR minimum; applies to all loans with hard debt service payments; may consider 1.05x DSCR for projects with RCC subordinate loan on case-by-case basis

TERM/AMORTIZATION

15-30 year term. Up to 35-year amortization with 40-year amortization considered for loans over \$5 million or highly competitive CRA locations

FORWARD COMMITMENT PERIOD

Up to 30 months with two three-month extensions available w/fee



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EARLY RATE LOCK

Early rate lock up to 45-days prior to commitment with refundable deposit

INTEREST RATE

Fixed rate Forward Commitment with interest rate locked at or before construction loan closing

SECURITY

First lien mortgage

PREPAYMENT

Fannie Mae yield maintenance through 15 years; 1% thereafter

REPLACEMENT RESERVES

\$250 PUPA minimum; to be reviewed after 5 years

BORROWER

Single asset borrowing entity

SUBORDINATE FINANCING

All subordinate financing must have a maturity date at least 90 days past the maturity date of the first mortgage; soft financing permitted subject to subordination agreement

THIRD PARTY REPORTS

Current reports from approved construction lender are generally acceptable subject to reliance; new appraisal may be needed at conversion if dated 30+ months from permanent loan closing

CLOSING CONDITIONS

Lender approved boilerplate forms with no modifications; standard industry due diligence

LOAN NOTE GUARANTEE

Guarantee effective upon achieving 90% occupancy for 90 days (90/90 test), unless funding Lease Up Reserve; for LIHTC projects, owner must meet investor's occupancy requirements before perm guarantee can be put into place

STRUCTURE HIGHLIGHTS

- Non-recourse
- Early rate-lock available
- Up to 40-year amortization
- Quick and efficient underwriting and closing

ORIGINATION FEE

Negotiable

RATE LOCK FEE

Refundable rate lock deposit of up to 2%; Delivery Assurance Note required on all transactions secured by subordinate lien

APPLICATION FEE

Non-refundable fee of \$10,000

DEBT SERVICE/OPERATING RESERVE

Greater of \$25,000 or 3-months of debt service; additional reserves may be required based on market conditions (Syndicator/Investor ODR may be used to satisfy this requirement)

RECOURSE

Non-recourse permanent loan; identified principles required to sign "Bad Acts" carve outs at closing

LOAN DOCUMENTS

Legal forms follow GSE standard loan documents

PROPERTY INSURANCE

Freddie Mac insurance requirements (terrorism insurance generally required)

LEGAL FEES

Borrower pays Lender's fee and miscellaneous closing cost