



## PRIVATE PLACEMENT UNFUNDDED 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

### MAX LOAN AMOUNT

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

### PROPERTY TYPES

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

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

### NORMAL PROCESSING TIME

90-days average from application to closing

### AFFORDABILITY REQUIREMENTS

LIHTC regulatory agreement to assure affordability

### 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

### STABILIZATION REQUIREMENT

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

### FORWARD COMMITMENT PERIOD

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

### LOAN RESIZING

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



## 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