



BRIDGE TO FHA OR USDA 538 INSURED MAP ACQUISITION OR REFINANCE

Rose Community Capital and IMPACT Community Capital have partnered to create the RCC-IMPACT Capital Acquisition Fund (the "Fund"). The mission of the Fund is to create and preserve affordable and rental assisted housing throughout the country by making available access to affordable bridge financing for projects that have as their permanent financing an FHA insured or USDA guaranteed loan made available by Rose Community Capital (RCC).

Affordable projects are those that have a Use/Regulatory Agreement that restricts 50% or more of the project's rents and has a Use or Regulatory Agreement that restricts affordability to 80% AMI or lower. A project may qualify for financing if the owner intends to restrict the units and files a Use Agreement as part of the closing.

PROPERTY TYPES

Existing Multifamily housing that is or will be made affordable by recording a Use Agreement restricting income and rents for no less than 20 years at perm loan closing.

Mixed income projects must be at least 51% affordable at 80% AMI or lower.

*Does not include student housing or assisted living

COMMERCIAL SPACE

Limited to 25% of the total net rentable area; commercial income is limited to 20% of effective gross project income.

MAX LOAN AMOUNT

Up to 95% as-is appraised fair market value which can include any rent increases that will be in effect at closing.

DSCR of 1.10 – 1.20; if needed, interest reserve will be funded at closing.

RECOURSE

Between 25%-50%, depending upon leverage.

LOAN SECURITY

First lien mortgage and related documents; Regulatory Agreement committing to long-term affordability.

SUBORDINATE FINANCING

Payable from 75% of surplus cash.

If private funds, must be unsecured and cannot exceed 100% of the value of the property. If public funds, then may be secured by the property.

INTEREST RATE MODE

Interest only. Rate is fixed and based upon market conditions.

TERM

36-60 months; no extensions.

OCCUPANCY REQUIREMENT

Minimum 80% physical occupancy to qualify.

UP to maximum 97% underwritten occupancy.

ORIGINATION FEE/DEPOSITS

Determined by originator. Deposits to cover third party report costs and underwriting fee is due upon signing the engagement letter.

FEES

No application fee. Underwriting fee of \$8,500 includes costs of physical inspection. Borrower pays lender's legal fee and related expenses estimated at \$15,000 - \$25,000.

BORROWER

Must present a full REO schedule, along with plan for debt maturing within 5 years.

PREPAYMENT

No prepayment penalty if the exit is to a RCC FHA or USDA execution.