

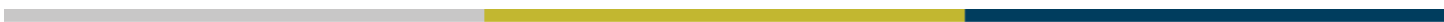


# CDT Affordable Multifamily Program

## Portfolio Purchase Term Sheet

As of April 3, 2018

- Eligible Loans** .....Portfolios of closed first mortgage loans secured by affordable multifamily housing projects. Although CDT's primary focus is low income housing tax credit (LIHTC)-financed and Section 8 projects, we will consider other types of affordable multifamily rental housing.
- Portfolio Size**.....CDT has no specific minimum or maximum size. We specialize in smaller portfolios (e.g., \$10 to \$25 million) but will consider larger transactions as well (e.g., \$100 million or greater).
- Loan Size** .....Individual loans generally ranging from \$500,000 to \$5 million. Loans outside that range will be considered.
- Term/Amortization** .....Generally, terms and amortizations up to 30 years.
- Interest Rates** .....Fixed rate loans.
- Fees**.....CDT does not charge fees for portfolio transactions.
- Price** .....Price is based on several factors, including weighted average coupon (WAC), credit characteristics, seasoning and documentation of the underlying mortgage loans. CDT seeks to price portfolios at par. If the loans include prepayment protection, and the WAC supports a price over par, CDT will consider offering premiums for such transactions.
- Eligible Properties** .....CDT's primary business focus is LIHTC-financed multifamily rental properties, including newly constructed and rehabilitated properties. Portfolios can include non-LIHTC affordable properties, Section 8 and other programs that provide affordable rents to low and moderate income tenants. Generally, projects should have at least 24 units. All projects must satisfy Community Reinvestment Act (CRA) criteria.
- Loan to Value Ratio (LTV)** .....Up to 80% based on current appraised valuation. LTV includes *all* loans requiring debt service payments, including subordinate financing with required payments.
- Debt Coverage Ratio (DCR)**....Minimum 1.15 based on property type and market conditions. DCR includes all loans requiring debt service payments.
- Risk Sharing/Lender**
- Recourse** .....CDT does not require risk sharing or recourse as part of its Portfolio Purchase program.
- Portfolio Submission Requirements** .....CDT has comprehensive due diligence checklists available for credit and legal file submissions.





- Servicing** ..... CDT acquires portfolios on either a servicing-released or servicing-retained basis. For servicing-released transactions, CDT's third-party servicer will provide servicing when needed. For servicing-retained transactions, CDT will review the servicer's capacity and experience.
- Seasoning** ..... CDT acquires loans on stabilized properties. Stabilization is defined as at least three (3) consecutive months at 90% economic and physical occupancy, and achievement of CDT's minimum DCR threshold for each of the three consecutive months. CDT does not require additional minimum seasoning for the loans we purchase.
- Payment History** ..... All payments must be current with no loan default history during the past 24 months, and the borrower in good standing at the time of CDT's purchase.
- Subordinate Financing** ..... CDT usually requires that all secondary financing be subject to an acceptable subordination agreement. As stated above, all debt service payments required for subordinate debt (e.g., hard payments) are included in the above stated DCR and LTV thresholds.
- Documentation** ..... Although CDT prefers to acquire loans closed using standard Fannie Mae / Freddie Mac documents or documentation with secondary market standards, we will consider non-standard documentation subject to review.
- Representations and Warranties** ..... Standard secondary market representations and warranties will be included in CDT's Loan Purchase Agreement.
- Prepayment Terms** ..... CDT seeks to acquire loans with prepayment protection terms (e.g., yield maintenance). CDT's price will reflect applicable prepayment provisions. Loans with no prepayment provisions are not eligible for premium pricing.
- Escrows/Reserves** ..... CDT prefers to acquire loans with required escrows for property taxes, insurance premiums and replacement reserves. CDT requires a minimum replacement reserve of \$250 per unit per annum.

*Please be advised that this term sheet is provided for informational purposes only, does not constitute a commitment or any offer from CDT and is subject to changes at any time. Please contact CDT for questions related to your loan request or if you require additional information.*

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