



***CDT Affordable Multifamily Lending Program***  
***Immediate Funding Term Sheet***  
As of March 12, 2018

- Eligible Loans** .....First mortgage loans on stabilized affordable multifamily communities.
- Loan Amount** .....\$2,000,000 to \$10,000,000; larger loans considered.
- Term/Amortization** .....15 to 30 years; amortization up to 30 years.
- Interest Rate** .....Competitive rates based on fixed spread over comparable term U.S. Treasury rates. Rate set prior to loan closing.
- Prepayment Terms**.....GSE yield maintenance formula.
- Guaranty/Recourse** .....Execution of an exception to non-recourse obligations required for customary carve-outs.
- Cash-out Refinance** .....Allowed. Eligible use of proceeds includes (a) pay off current outstanding secured debt, b) payment of any yield maintenance or other prepayment premium, (c) closing costs and /or (d) funded reserves.
- Affordability Requirements** .....All properties must be affordable based on extended-use restrictions and/or in-place regulatory agreements. For mixed-income properties, generally at least 50% of the units must be at or below 60% area median income (AMI).
- Loan to Value Ratio (LTV)**.....Maximum LTV of 80%. Lower LTV may apply in certain locations. LTV is a combined loan-to-value that includes *all* loans requiring debt service payments.
- Debt Coverage Ratio (DCR)** .....Minimum DCR of 1.15 to 1.20:1.00 depending on market conditions. Higher DCR for non-LIHTC projects and properties with 40 units or less. DCR includes *all* loans requiring debt service payments.
- Occupancy Requirements**.....90% physically and economically occupied for three months prior to closing.
- Eligible Properties** .....Affordable multifamily rental housing projects with at least 24 units.
- Property Condition** .....Physical needs assessment report required. If upgrades and repairs needed, repair escrow funded at closing. Generally, repairs and upgrades must be completed within 3 to 6 months of loan closing.
- Subordinate Financing** .....All subordinate financing must be coterminous with the term of the first mortgage. Soft subordinate financing permitted, subject to execution of acceptable subordination agreement.
- Project-Based Rental Subsidy Contract**.....Loan request is subject to CDT's loan sizing criteria for project with project-based rental subsidy contract. Generally, project-based rental subsidy contract should be longer than or coterminous to the first mortgage.
- Loan Documentation**.....Generally standard secondary market/GSE documentation apply.
- Property Insurance** .....Generally standard secondary market/GSE requirements apply.

**Escrows/Reserves** .....Escrows required for property taxes and insurance. The following reserves, held by CDT, are based on the minimum requirements listed:

- **Replacement:**
  - > Minimum for all properties - \$250/unit/year
  - > Properties with 40 units or less - \$300/unit/year
  - > CDT may require higher reserve levels for certain properties, including rehab transactions.
  - > All replacement reserves reviewed after 5 years.
  - > Higher reserves may be required based on Physical Need Assessment (PNA).
- **Debt Service and Operating:**
  - > The greater of \$25,000 or 3-months of debt service;
  - > The greater of \$25,000 or 4-months of debt service for properties with 40 units or less.
  - > Fully funded at closing.
  - > CDT reserves right to require additional reserves depending on market conditions and transaction features.

**Application Fee**.....\$5,000 non-refundable fee due at application.

**Third-party Reports**..... \$12,000 due at application for third-party reports, including appraisal, environmental, physical needs assessment, zoning and other required reports. CDT bills actual report costs. Total fee may be higher or lower.

**Commitment Fee** .....1% of loan amount; minimum of \$10,000.

**Good Faith Deposit** .....2% due at rate lock; refunded at closing.

**Legal Fees**.....Legal fees typically between \$12,000 and \$15,000. Higher fees may apply for more complex transactions. Loans are closed by CDT approved attorneys.

*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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