

Attachment A SemiPerm Loan Program

SEMIPerm LOAN TERMS	
Term	<ul style="list-style-type: none"> • 5 to 15 years, including extensions
Interest Rate	<ul style="list-style-type: none"> • Favorable, below market rates. Please call to inquire about current rates
Eligible Borrower	<ul style="list-style-type: none"> • Providers of affordable and workforce housing, including nonprofit and for-profit organizations
Eligible Uses	<ul style="list-style-type: none"> • Predevelopment, acquisition, construction, and rehabilitation of affordable and/or workforce housing rental projects • Financing or refinancing to preserve affordability
Housing Type	<ul style="list-style-type: none"> • Rental or other critical housing as determined by the Board.
Affordability Targeting	<ul style="list-style-type: none"> • Up to 120% AMI (subject to restrictions on fund sources) • Workforce housing negotiable (subject to restrictions on fund sources) • Preference given to projects providing deeper affordability and a greater number of affordable units • HEART will require affordability covenants on a minimum number of units that is commensurate with its level of participation.
Loan Maximum	<ul style="list-style-type: none"> • Dependent on project financials, source of repayment and term of loan
Fee	<ul style="list-style-type: none"> • 1.5% of loan amount; \$1,000 of which is due at time of application • Borrower is responsible for lender's legal fees and all third-party costs • Additional fees apply for loan extensions
Security/ Lien Position	<ul style="list-style-type: none"> • Secured by real property, letter of credit, or interest in other acceptable collateral • May subordinate to other loans subject to project financials, source of repayment and term of loan
Repayment	<ul style="list-style-type: none"> • Repayment Options <ol style="list-style-type: none"> a. Interest payments only, deferred principal payment until end of term b. Principal and interest payments over a fixed 5- to 15-year term based on a 30-year amortization schedule with a balloon payment at maturity c. Amortized principal and interest payments

Extension	<ul style="list-style-type: none"> • Loans may be extended for a total term not to exceed 15 years at the discretion of HEART Board • Additional fees apply • Subject to interest rate increase
Loan to Value	<ul style="list-style-type: none"> • Negotiable, subject to project financials, source of repayment and term of loan
Debt Coverage Ratio	<ul style="list-style-type: none"> • Negotiable, subject to project financials, source of repayment and term of loan
Affordability Covenant	<ul style="list-style-type: none"> • Requirement for 55 years of affordability, but will defer to deed restriction of other funders that satisfy HEART requirements provided they are recorded at closing of financing.
Recourse /Non-Recourse	<ul style="list-style-type: none"> • Negotiable, subject to project financials, source of repayment and term of loan