

LOAN TERMS FOR SEMIPERM

| | SEMIPERM LOAN TERMS |
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| Term | 5 to 15 years, including extensions |
| Interest Rate | Favorable, competitive rates. Please call to inquire about current rates |
| Eligible Borrower | 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 | Multi-Family rental, or ownership, or other critical housing as determined by the Board |
| Project Funding Preferences | <ul style="list-style-type: none"> • For new construction, as well as acquisition and/or rehabilitation to convert market units to permanently affordable • For projects providing deeper affordability and a greater number of units • For projects in areas that include, but are not limited to: disadvantaged communities, infill development, and high/low resource and high segregation and poverty areas • For high-density developments in Location Efficient Communities • For projects with proximity to public transportation |
| Affordability Targeting | <ul style="list-style-type: none"> • Up to 120% AMI (subject to restrictions on fund sources) • HEART will require affordability covenants on a minimum number of units that is commensurate with its level of participation |
| Loan Maximum | Dependent on project financials, source of repayment, and term of loan |
| Fee | <ul style="list-style-type: none"> • Origination Fee: 2% of the loan amount for loans of up to \$2 million; 1.5% for larger loans • Application Fee: \$3,000 non-refundable (will be applied to origination fee at loan closing) • 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 | <p>Repayment Options</p> <ol style="list-style-type: none"> a. Interest payments only, deferred principal payment until end of term b. Principal and interest payments over fixed year 5- to 15-year term based on 30-year amortization schedule with balloon payment at maturity c. Amortized principal and interest payments |

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| 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 | Negotiable, subject to project financials, source of repayment and term of loan |
| Debt Coverage Ratio | Negotiable, subject to project financials, source of repayment and term of loan |
| Affordability Covenant | Required for 55 years of affordability, but will defer to deed restriction of other funder that satisfy HEART requirements provided they are recorded at closing of permanent financing |
| Recourse / Non-Recourse | Negotiable, subject to project financials, source of repayment and term of loan |