



## TAX-EXEMPT BOND CREDIT ENHANCEMENT OF APARTMENT PROPERTIES FIXED AND VARIABLE-RATE OPTIONS

ELIGIBLE PROPERTIES:	<p>Credit enhancement of apartment properties financed with tax-exempt bonds where the affordable unit set aside is at least 20% at 50% or 40% at 60% of area median income (adjusted for family size). Typically these properties will have 4% Low Income Housing Tax Credits.</p> <p>Can be used in combination with Affordable Housing Forward Commitment program. Funded and unfunded forward commitments are available.</p>
LOAN TERM:	Minimum of the remaining LIHTC compliance period or 15 years, whichever is less. Maximum 35 years.
PREFERRED LOAN SIZE:	\$10 million and larger.
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MAXIMUM LOAN:	<p>Amount equal to the lesser of:</p> <p>Fixed-Rate: 90% of appraised value (85% of favorable financing value or 90% with HUD risk sharing); or 1.15 debt service coverage.</p> <p>Variable-Rate: 85% of appraised value (80% of adjusted value); or 1.20 debt service coverage based on the Underwriting Interest Rate. The Underwriting Interest Rate is at least 200 basis points over the 52 week trailing average of the Bond Market Association (BMA) Municipal Swap Index, plus credit enhancement fees and all ongoing fees such as annual issuer and trustee fees.</p>
FIXED RATE STRUCTURE:	Rate fixed to maturity of the bonds. A rate reset option may be available.
VARIABLE RATE STRUCTURE:	Weekly Rate Mode, with option to convert to fixed-rate. An interest rate cap or interest rate swap is required for variable-rate transactions.

This is a summary of general program terms, which are subject to change. This is not a commitment to lend.



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PERSONAL RECOURSE:	None, except for standard exceptions to non-recourse which are the responsibility of the Key Principal(s).
ASSUMABILITY:	Assumable, subject to Walker & Dunlop approval and a 1% transfer fee.
PREPAYMENT:	Fixed: Lockout and prepayment provisions typically correspond to the tax-exempt bond requirements and the present value of any unpaid Freddie Mac credit enhancement fees plus any unpaid lender servicing fees during the first ten years.  Variable: Equal to the present value of any unpaid Freddie Mac credit enhancement and liquidity fees and any unpaid lender servicing fees during the first seven to ten years.
SUBORDINATE FINANCING:	Subordinate financing may be allowed under certain circumstances.
ESCROWS:	125% to 150% of estimated cost of required repairs, if any, as determined by physical inspection.  Monthly escrows for real estate taxes, property insurance and replacement reserves are required.
APPLICATION FEE:	Based on estimated underwriting costs for appraisal, architectural/engineering report, environmental assessment and other loan processing costs.
FINANCING FEE:	Negotiable.
CLOSING EXPENSES:	Standard transaction costs, including legal fees, title insurance and survey.
PRELIMINARY SUBMISSION PACKAGE:	Include the following in your request for a loan quote: <ul style="list-style-type: none"> <li>• Property description and location map.</li> <li>• Representative color photographs.</li> <li>• Current rent roll and year-to-date operating statement.</li> <li>• Operating history - prior 3 years, if available.</li> <li>• Current year operating budget.</li> <li>• Existing debt and cost basis.</li> <li>• Sponsor resume.</li> </ul>

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