



AFFORDABLE HOUSING FORWARD COMMITMENT FOR NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION

ELIGIBLE PROPERTIES:

New construction or substantial rehabilitation of Multifamily Affordable Housing. Multifamily Affordable Housing is housing that meets or exceeds the income and rent restrictions of the Low Income Housing Tax Credit (LI-HTC) program. This program is typically used for 9% LIHTC projects.

LOAN TYPE:

Balloon mortgages with 15-year terms or fully amortizing structures are available. Loan funds will be advanced to an approved Construction Lender in a lump sum or in installments. Requires credit support during the Forward Commitment Term in the form of a Letter of Credit from an "A" or better rated institution. Unfunded Forward Commitments available with no credit support required.

PREFERRED LOAN SIZE:

\$10 million and larger.

MAXIMUM LOAN:

Amount equal to the lesser of:

1. 90% of appraised value; or
2. 1.15 debt service coverage (1.10 with HUD risk sharing).

INTEREST RATE:

Determined by market rates at the time of rate lock. Rates vary by loan-to-value ratio, debt service coverage and property quality.

FORWARD COMMITMENT TERM:

Up to 36 months with one 6-month extension, longer forward commitment terms available.

AMORTIZATION:

Up to 35 years.

PERSONAL REOURSE:

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:

Yield maintenance.

SUBORDINATE FINANCING:

Allowed up to 95% aggregate loan-to-value with a minimum aggregate debt service coverage of 1.10 for foreclosable subordinate debt. For "soft" debt, debt service cannot exceed 75% of cash flow after payment of operating expenses, reserves, escrows, and senior debt.

ESCROWS:

Monthly escrows for real estate taxes, property insurance and replacement reserves upon permanent loan closing.

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APPLICATION FEE:

The greater of \$3,000 or 0.1% of the maximum mortgage amount.

FINANCING FEE:

Negotiable.

CLOSING EXPENSES:

Standard transaction costs, including legal fees, title insurance and survey.

FREDDIE MAC DEPOSITS:

A forward commitment deposit equal to 2% for funded forwards and 3% for unfunded forwards of the commitment amount to be paid prior to rate lock. Deposit may be in cash or letter of credit and will be refunded/released upon delivery of the permanent loan.

PERMANENT LOAN CLOSING:

At construction loan closing, the Borrower must execute a 5% delivery assurance note in favor of Freddie Mac, secured by a subordinate lien. The lien will be released upon permanent loan closing.

Project completion with Certificate of Occupancy for all units, 90% occupancy for 90 consecutive days.

PRELIMINARY SUBMISSION PACKAGE:

Include the following in your request for a loan quote:

- Property description and location map.
- Representative color photographs.
- Operating history - prior 3 years, if available.
- Year one operating budget.
- Existing debt and cost basis.
- Sponsor resume.
- Preliminary sources and uses.

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