

**GSE TERM SHEET—Multifamily New Issuance Bond Program Transactions underwritten by HFAs**

<b>CRITERION</b>	<b>GSE Terms</b>
Loan Amount	No minimum: \$50MM maximum
Loan Terms: New Construction or Substantial Rehab	Total loan term: 30 years; 34 years maximum for Funded Forward. The term of the GSE credit support will match the loan term  Funded Forward – 4 years variable indexed rate and interest only. A Construction Lender must take 100% of risk for construction and lease-up, and secure their guaranty with a AA-rated LOC. Borrower will be required to replace the LOC if the issuing bank is downgraded below AA-/Aa3. GSE's and Treasury will not take construction and lease-up risk. Substantial Rehab will require appropriate collateral support as determined by the GSEs  Permanent Loan – fixed-rate
Loan Terms: Immediate Funding	Permanent Loan – fixed-rate
Occupancy Requirements	90% occupancy for 90 days
Length of Amortization	Maximum 35 years
Minimum DSCR	1.15X Underwritten 1.10X with 100% Insurance coverage on principal and interest payments for life of loan from a counterparty i) rated 'AA' or higher by S&P and Moody's and ii) approved by the GSEs
Maximum LTV	85%
Underwriting—General	Per the relevant Multifamily Underwriting Guide, as amended by this Term Sheet, of the GSE managing the particular HFA. Waivers or exceptions to the Underwriting Guide will be permitted in limited circumstances and must be approved by the credit departments of both GSEs.
Underwriting Project-based Section 8 Income	<ol style="list-style-type: none"> <li>1. Agree to accept annual appropriations risk</li> <li>2. Underwrite the greater of LIHTC or Section 8 Income, but in no case can the Underwritten income exceed Market Rents.</li> <li>3. A Restabilization Reserve equal to six months of debt service will be required if the Section 8 Contract does not extend beyond the term of the loan.</li> </ol>
Replacement Reserves	Minimum \$250 per unit.  Require an updated PNA every 5-years and adjust the replacement reserves accordingly
Minimum Economic Vacancy Rate	Greater of market, actual or 5%
Subordinate Financing	Soft debt does not impact DSCR or LTV Hard Mandatory payment Subordinate Debt: Combined 1.05 DSCR and 95% LTV
Prepayment Premium	Open to prepayment without premium at any time
Borrower Recourse	Non-recourse, with carve outs including bankruptcy filing