

GMHF Loan Terms Summary



	MULTIFAMILY				
	Predevelopment	Revolving Predevelopment	Acquisition	Construction/ Bridge	Permanent 1 st Mortgage
Purpose	Financing for project-related hard and soft costs prior to closing on construction or permanent financing	Financing for project-related hard and soft costs prior to closing on construction or permanent financing for multiple projects	Financing for acquisition of land or buildings prior to closing on construction or permanent financing	Financing for new construction or rehabilitation of existing apartments	Long-term first mortgage financing for multifamily properties
Term	Up to 36 months	36 months for Master Agreement and 36 months for each Supplemental Loan	Up to 36 months	Up to 36 months	Up to 30 years
Amortization					Up to 40 years
Fixed Interest Rate	Starting at Monthly SOFR + 2% with discount for units at or below 50% AMI	Starting at Monthly SOFR + 2% with discount for units at or below 50% AMI	Starting at Monthly SOFR + 2% With discount for units at or below 50% AMI	Starting at Monthly SOFR + 2% With discount for units at or below 50% AMI	Starting at corresponding Treasury + 2.0%
Origination Fee	1% of loan amount (minimum of \$5,000)				
Loan-to-Value			65% for land & vacant buildings 80% for existing apartments	80% of as-stabilized value + 80% of capital contributions for tax credit projects	80% as-stabilized value
Debt Coverage Ratio					1.15 for new construction 1.20 for rehabilitation (min 1.10 for at least 15 years)
Repayment	Interest payments due monthly with principal due at maturity	Interest payments due monthly with principal due at maturity	Interest payments due monthly with principal due at maturity	Interest payments due monthly with principal due at maturity	Principal and interest due monthly and any outstanding balance due at maturity
Interest Only Period	Term of loan	Term of loan	Term of loan	Term of loan	Up to 36 months
Security	Security may be required based on project underwriting and borrower	Security may be required based on project underwriting and borrower	1 st lien position	1 st or 2 nd lien position and/or assignment of capital contributions for LIHTC projects	1 st lien position
Operating Reserve					3 months
Debt Service Reserve					3 months
Replacement Reserve					Min \$250/unit per year increasing 3% annually for new; based on CNA for rehabs
Guaranty	Required	Required	Required	Required	Required until stabilization, then non-recourse
Affordability	At least 75% of units must be income- and rent-restricted at 80% AMI, including either 40% of units at 60% AMI or 20% of units at 50% AMI. Potential exceptions for small properties in Greater Minnesota				
Other Fees	Borrower is responsible for GMHF legal fees, closing costs and the cost of any third-party reports				

This summary reflects GMHF's most common loan types. Please inquire if you are seeking a loan product not included here

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	MULTIFAMILY			SINGLE FAMILY	
	Permanent 2 nd Mortgage	Energy Loan Fund 2 nd Mortgage	Tax Increment Financing	Construction Loan Line of Credit	NMTC Source Loan
Purpose	Subordinate second mortgage financing for multifamily properties	Subordinate mortgage financing for energy improvements	Financing to capitalize pay-as-you-go tax increment financing (TIF)	Financing for new construction or rehabilitation of existing single-family homes	Financing for construction of new single-family homes using New Market Tax Credits (NMTC)
Term	Up to 15 years, coterminous with first mortgage	Up to 17 years, coterminous with first mortgage	Up to 26 years to match duration of TIF	Up to 36 months	Up to 24 months
Amortization	Up to 35 years or interest only depending on the project	Up to 40 years to match first mortgage	Up to 26 years to match duration of TIF		
Fixed Interest Rate	Starting at corresponding Treasury + 2.0%	Starting at corresponding Treasury + 1.0%	Equal to GMHF first mortgage	Starting at SOFR + 2.0%	Starting at SOFR + 2.0%
Origination Fee	1% of loan amount (minimum of \$5,000)			1% of loan amount (minimum of \$5,000)	1% of loan amount
Loan-to-Value	Up to 95% as-stabilized value including all superior debt	Up to 95% as-stabilized value including all superior debt	Up to 80% of as-stabilized value including the value of TIF income stream	Up to 85% as-completed value	Up to 100% of required source loan amount
Debt Coverage Ratio	1.10 combined for first and second mortgage	1.15 combined for first and second mortgage	1.0 for TIF and 1.1 for combined TIF and NOI-supported debt		
Repayment	Interest only or amortizing monthly payments depending on project	Interest only during construction, principal & interest thereafter	Amortizing with monthly interest and principal payments	Interest paid monthly with principal repayments due upon sale of each home	Interest due monthly with principal payments due upon sale of each home
Interest Only Period	Up to 15 years	Up to 36 months	Up to 36 months if part of construction-to-perm loan	Term of loan	Term of Loan
Security	2 nd lien position	2 nd lien position or incorporated into 1 st mortgage	Incorporated into GMHF 1 st Mortgage	1 st lien position	Pledged Collateral Account and Control Agreement
Operating Reserve	3 months	Based on first mortgage	3 months	Interest reserve may be required	Interest reserve may be required
Debt Service Reserve	3 months	Based on first mortgage	3 months		
Replacement Reserve	Min \$250/unit per year increasing 3% annually for new; based on CNA for rehab	Based on first mortgage	Based on first mortgage		
Guaranty	Required until stabilization, then non-recourse	Non-recourse after stabilization	Non-recourse after stabilization	Required	Required

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Affordability	At least 75% of units must be income- and rent-restricted at 80% AMI, including either 40% of units at 60% AMI or 20% of units at 50% AMI. Potential exceptions for small properties in Greater Minnesota.	Up to 115% AMI if located in CDFI Fund Investment Area <u>or</u> Up to 80% AMI in other locations
Other Fees	Borrower is responsible for GMHF legal fees, closing costs and the cost of any third-party reports	

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