



## New Construction / Major Rehabilitation Product

### FULL TERM INTEREST-ONLY TAX EXEMPT FINANCE PRODUCT

#### Project Suitability:

- New Construction or major rehabilitation
- Minimum of 90% of units set aside to obtain Low Income Housing Tax Credit allocation or properties with extended use periods and/or other subsidies
- Received allocation of private activity tax exempt bonds
- Minimum of \$10 Million loan/bonds
- Property located in MSA with a population of 100,000+

#### Loan / Bond Purchase Sizing:

- Loan amount is lower of (i) 90% loan-to-value or (ii) 1.15 debt service coverage of projected stabilized net operating income
- Loan can bridge tax credit equity during construction period (not to exceed 90% loan-to-cost)
- **Loan sizing based on interest-only payments (no amortization)**
- Loan amount from Align is approximately **8% to 10% higher** than the loan amount that typically would be available through Agencies (Fannie Mae / Freddie Mac)

#### Loan Amount / Payment / Term:

- **Interest-only** payments for the entire loan term resulting in monthly payments equal to or less than the monthly payments due on a comparable Agency loan (sized using 35-year amortization, 1.15 debt service coverage)
- Adjustable and fixed rate products available during construction period
- Fixed rate permanent loan
- Loan term up to 18 years
- Yield maintenance for 10 years (from date placed in service); Loan may be repaid following the 10th year with a 1% prepayment penalty; no penalty during the last 6 months (other prepayment options are available)

#### Other Terms:

- Guaranty through conversion
- Non-recourse permanent loan, subject to typical Agency carveout guaranties
- Minimum origination fee of 1.0%