



New Construction / Major Rehabilitation Product

FULL TERM INTEREST-ONLY TAX EXEMPT FINANCE PRODUCT

Project Suitability:

- New Construction or major rehabilitation
- >90% of units set aside at or <80% AMI
- Received allocation of private activity tax exempt bonds
- >\$10 Million loan/bonds
- MSA population >100,000

Loan / Bond Purchase Sizing:

- Loan sizing criteria: (i) 90% LTV and (ii) 1.15x interest-only DSCR
- Loan can bridge tax credit equity during construction period
- **Loan sizing based on interest-only payments (no amortization)**, or adjusted for any amortization requested
- 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)
- **Amortizing Options** are also available (i.e., partial IO period to 50-year amort schedule)
- 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%