



## Tax-Exempt Bonds for Housing Development

### For-profit Development/Owner

<b>Type</b>	Acquisition, rehabilitation and take-out
<b>Term</b>	Up to 15-year maturity, 30-year amortization
<b>Loan Fees</b>	1% - 2% of the loan amount
<b>Interest Rate</b>	<p>The tax-exempt equivalent yield of the matched term treasury constant maturities (H-15) plus the margin to create a tax-exempt yield.</p> <p>An interest rate lock is available for a maximum of 2 years at a cost of 0.5% of the approved loan amount.</p>
<b>Security</b>	First Deed of Trust
<b>Loan-to-Value</b>	Up to a maximum of 75% for WCRA or a maximum of 90% of appraised value on all debt or allowable debt service with reasonable expenses which include acceptable amounts included for reserve for replacement and management expense.
<b>Debt Service Coverage</b>	A minimum of 1.15:1 on WCRA debt - 1.0:1 minimum total debt. At funding, debt service is based on the current rents and income annualized and the appraiser's vacancy/credit loss and expenses. All appraisals must be dated less than 12 months prior to the closing.
<b>Prepayment Penalties</b>	FNMA guidelines; 1% thereafter
<b>Maximum/Minimum Loan</b>	\$2 million, no minimum
<b>Rent Regulatory Agreements</b>	Yes, affordability maintained for the life of the loan.
<b>Other Conditions of Funding</b>	Uses the standard WCRA underwriting criteria and requires that member banks commit to fund on a transaction-by-transaction basis.