

CHFA 9% Low-Income Housing Tax Credit (LIHTC)

Construction-to-Permanent Product Summary



Structure:	Two-note structure.
Loan Rates:	<p><u>Construction Loan:</u> Fixed rate at One Month Secured Overnight Financing Rate (1M SOFR) plus 200 basis points, provided the project meets the closing date requirement.</p> <p><u>Permanent Loan:</u> Fixed rate based on the 10 Year Treasury Rate plus 250 basis points.</p> <p>CHFA's rate lock procedure will be followed. Closing with construction lender (CHFA or otherwise) must take place on or before November 30, 2023. If the closing takes place after this date, CHFA reserves the right to re-evaluate pricing. Accordingly, CHFA will determine the best execution for each project.</p>
Loan Term:	<p><u>Construction Loan:</u> Not to exceed 24 months. Upon request and approval, a longer term may be permitted, subject to a rate premium.</p> <p><u>Permanent Loan:</u> 37 years (assuming a 24-month construction term and 35-year amortization term).</p>
Amortization:	<p><u>Construction Loan:</u> Interest-only payments are due until maturity.</p> <p><u>Permanent Loan:</u> 35 years. Interest-only payments are due during the construction term, monthly amortized payments of principal and interest will commence on month 25 (assuming a 24 month construction term). Early amortization is not permitted.</p>
Disbursement:	Both the construction and permanent loan proceeds will be disbursed on a pari-passu basis during the construction term.

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Early Prepayment:	<p><u>Construction Loan:</u> Prepayment is available beginning in month 16, provided the construction loan proceeds have been disbursed in full.</p> <p><u>Permanent Loan:</u> May be repaid in full after 15 years of amortization, provided the loan is refinanced with CHFA at the then-offered terms and conditions and subject to availability of funding sources; all other applicable requirements, including covenants of continued affordability and payment of a fee equal to 1% of the outstanding principal balance .</p> <p>After 20 years of amortization, the loan may be repaid in full subject to satisfaction of applicable requirements, including covenants of continued affordability and payment of a fee equal to 1% of the outstanding principal balance. See the Preservation of Housing Affordability Policy Statement for full details.</p>
Loan Origination Fee:	Based on loan size in accordance with the current Multifamily Financing Program Parameters and Fees guidelines, due at construction loan closing.
Underwriting Standards:	CHFA Multifamily Underwriting Standards apply.
Closing Deadline:	November 30, 2023. If the closing takes place after this date, CHFA reserves the right to re-evaluate pricing.