

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

Permanent Loan Product Summary



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| Loan Rate: | <p>The fixed rate will be based on the 10-year Treasury rate plus 300 basis points. The rate will be locked at the approximate time the construction loan rate is locked, but no sooner than 30 days prior to the Construction Closing. If there is a closing delay beyond the 30 day rate lock period, or which results in repricing by the construction lender, CHFA reserves the right to re-evaluate pricing. This rate will be locked consistent with CHFA's rate lock procedure and will follow current CHFA Multifamily Financing Program Parameters and Fees guidelines.</p> |
| Loan Term: | <p>35 years.</p> |
| Amortization: | <p>35 years.</p> |
| Disbursement: | <p>No disbursement at Construction Closing. Full/One-time disbursement at Permanent Loan Closing.</p> |
| Permanent Loan Closing: | <p>24 months from the Construction Closing. May be extended for up to six additional calendar months upon payment of an extension fee of \$5,000 per calendar month.</p> |
| Requirements for Permanent Loan Closing: | <p>May include; but not be limited to:</p> <ul style="list-style-type: none"> • 100% qualified occupancy of LIHTC units • 100% retirement of the construction loan • Satisfaction of all investor conditions to allow necessary equity to be available • Updated underwriting to confirm income, expenses, debt service coverage, etc. at rent up • 1.15 debt service coverage for 90 days consecutively • All reserve requirements must be met • CHFA approval of any development team member changes, LPA changes, etc. • Satisfaction of all CHFA Final Closing items (including but not limited to CHFA Permission to Occupy, release of retainage, environmental close-outs, as-built survey, clear title, establishment of escrow accounts, etc.) |
| Early Prepayment: | <p>The permanent loan may be prepaid in full after 15 years of amortization, provided the loan is refinanced with CHFA at the then-offered terms and conditions; subject to availability of funding sources; and subject to 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 permanent loan repaid in full after year 20 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> |

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| Loan to Value: | 80% of the appraised prospective investment value or 80% of CHFA's estimated total lending cost. |
| Loan Sizing: | <ul style="list-style-type: none"> • Permanent Debt may be sized to the current year rents at Construction Closing and without trending the rents during construction. • No commercial income may be used to size the permanent debt. |
| Appraisal & Market Study: | Reports will be ordered by CHFA following payment by the applicant. |
| Loan Origination Fee: | This will be based on loan size in accordance with current Multifamily Multifamily Financing Program Parameters and Fees , due at Construction Closing. This fee is non-refundable. |
| Forward Standby Fee: | 1% of loan amount, due at Construction Closing. This fee is nonrefundable. |
| Forward Good Faith Deposit: | 1% of loan amount, due at Construction Closing. This fee is refundable at Conversion. It is payable to CHFA only if the project fails to convert or does not utilize the loan. |
| Third-Party Closing Costs: | Applicant is responsible for third-party closing costs. |
| 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. |

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