

Description

Permanent financing for the moderate rehabilitation of affordable multifamily properties with tenants in place.



Eligible Transactions

- Properties with new 4% LIHTC or 9% LIHTC.
- Non-LIHTC affordable properties that are otherwise restricted by Section 8 HAP or long-term rent restrictions via state/local program.

Type of Funding

- Tax exempt financing for acquisition / rehabilitation (max 24 months) based on projected post-rehab NOI.
- Cash or letter of credit collateral required to fund gap between supportable debt on current NOI and mortgage amount (collateral held until stabilization).
- Interest only during the rehabilitation / stabilization period

Loan Term

- Minimum of 15 years or remaining LIHTC compliance period with a maximum term of 35 years for Properties with 4% LIHTC or 9% LIHTC.
- Minimum 5 years with a maximum term of 15 years for Non-LIHTC properties.
- Rehabilitation / stabilization period (max 24 months) will be included in loan term.

Amortization

- Up to 40 years for Properties with 4% LIHTC or 9% LIHTC.
- Up to 35 years, depending on the market, for Non-LIHTC properties.

Loan-to-Value

- Up to 90% of as-stabilized market value for Properties with 4% LIHTC or 9% LIHTC.
- Up to 80% of as-stabilized market value for Non-LIHTC properties.

Debt Service Coverage

- 1.15x minimum with 4% LIHTC or 9% LIHTC
- 1.25x minimum with Non-LIHTC properties

Prepayment

- Fee maintenance for Properties with 4% LIHTC.
- Yield Maintenance for Properties with 9% LIHTC or Non-LIHTC.

Subordinate Debt

Permitted subject to Freddie Mac requirements.

Recourse

Non-recourse standard cave-out provisions required.

Escrows

Taxes, insurance, and replacement reserves

Third Party Reports

MAI appraisal, Physical Needs Assessment, Environmental Phase I, Zoning, and Moisture Management reports are required; Seismic Report may be required.

Application and Due Diligence Fees

- \$20,000 collected with execution of loan application to cover third party reports, processing and underwriting expenses. This fee includes a non-refundable \$2,500 processing fee and a \$2,500 initial deposit for legal expenses.
- 0.1% (minimum of \$3,000) fee to Freddie Mac collected with execution of loan application.

Origination Fee

Minimum origination fees will vary depending on the loan characteristics.

Legal Fees

Varying with characteristics of the deal

Timing

60 - 75 days from application to commitment dependent 3rd party report timing and Greystone's timely receipt of due diligence.

Rate Lock

Rate lock occurs after commitment is issued.

Assumability

Loan is assumable, subject to Freddie Mac and Servicer approval of the proposed replacement Borrower; Fees include one percent assumption fee, part of which is paid to Freddie Mac, and a processing fee to cover underwriting expenses to Freddie Mac and the Servicer.

References to the term "Greystone," refer to Greystone & Co. II LLC and/or its affiliated companies, as applicable. Loans are offered through Greystone Funding Company LLC, Greystone Servicing Company LLC, and/or other Greystone affiliated companies. The information contained herein does not set forth all of the terms and conditions of any interim or permanent financing. The information contained herein is subject to change and Greystone assumes no duty to update such information. This summary is for informational purposes only and does not create or imply, and Greystone shall not have, any obligation or commitment to make any loan or provide any financing. Any commitment by Greystone with respect to financing is contingent upon the completion of due diligence and approval by Greystone's credit committee, all in Greystone's sole discretion. 0326