

HUNT MORTGAGE GROUP

www.huntmortgagegroup.com

For more information on Hunt Mortgage Group, please contact:

AFFORDABLE HOUSING FINANCE

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FREDDIE MAC BRIDGE TO RESYNDICATION

- Provides efficient, short-term financing to acquire existing, stabilized Low-Income Housing Tax Credit (LIHTC)-eligible properties and position them for recapitalization using 4% LIHTCs
- Provides a bridge loan to a conforming permanent mortgage using LIHTC resyndication

Product Description	<ul style="list-style-type: none"> ■ 24-month loan with one 6-month extension, with approval (see "Extension" below) ■ Interest-only, floating-rate loan
Eligible Borrowers	Developers/owners with financial capacity who have successfully completed multiple resyndications using 4% LIHTC and tax-exempt debt
Eligible Properties	<ul style="list-style-type: none"> ■ Stabilized properties with LIHTC-eligible rent levels and evidence of LIHTC-eligible tenancy (most will be LIHTC properties at or nearing the end of their compliance period) ■ Construction must be sound but will often require moderate repair; the only construction completed during the term of this facility would be any required life-safety repairs and deferred maintenance ■ Must include evidence that a public agency with authority to issue Volume Cap Mortgage Revenue Bonds has sufficient tax-exempt bond (or loan) availability to meet the allocation needs of the anticipated LIHTC resyndication and has a highly predictable process for that allocation ■ A rider to the loan agreement (see below) will include specific performance benchmarks necessary to achieve the resyndication along with interim dates by which they will be achieved; examples would include final plans and specifications for rehabilitation, bond inducement resolution, and commitment from the LIHTC investor
Minimum Debt Coverage Ratio (DCR)	1.15x standard
Maximum Loan-to-Value (LTV) Ratio	<ul style="list-style-type: none"> ■ 85% ■ Cash equity requirement: 15% if owned less than 3 years
Minimum Occupancy	Determined at funding using the comparable fixed rate to achieve a 1.0x DCR
Rider to Loan Agreement	<ul style="list-style-type: none"> ■ Will provide specific performance benchmarks and dates by which they must be achieved ■ Performance benchmarks will be based on specific requirements necessary to close the LIHTC resyndication; these will include: <ul style="list-style-type: none"> ■ Bond Inducement Resolution ■ 4% tax credit allocation ■ Final plans, specifications and budget for rehabilitation ■ LIHTC investor commitment ■ Commitments for all other sources necessary to close the LIHTC resyndication

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Extension	Freddie Mac approval required and will be based on progress toward LIHTC resyndication; 0.5% fee required
Asset Management	Quarterly reporting; borrower will provide quarterly updates on progress toward LIHTC resyndication, such as bond inducement resolution, LIHTC investor commitment, completion of plans and specifications, and general contractor bids for construction
Breakage Fee	2%
Exit Fee	2%; waived if refinanced by a Freddie Mac securitizable loan
