

BOND CREDIT ENHANCEMENT WITH 4% LIHTC

Funds Provided by Tax-Exempt Bond Proceeds

Freddie Mac’s Bond Credit Enhancement program with 4% Low-Income Housing Tax Credits (LIHTC) provides for the preservation of the affordable housing stock with flexibility in transaction structuring and certainty of execution at a lower cost to the borrower.

Get the financing borrowers need for affordable multifamily properties funded by the sale of fixed- or variable-rate tax exempt bonds that have received LIHTC-whether it’s for new construction, a moderate or major rehabilitation, or the acquisition or refinancing of stabilized properties.

The Hunt Mortgage Group and Freddie Mac Difference

When it comes to multifamily finance, Hunt Mortgage Group and Freddie Mac get it done. We work closely together to tackle complicated transactions, provide certainty of execution and fund quickly. Contact your Hunt Mortgage Group representative today.

PRODUCT SNAPSHOT

- Forward commitment to provide bond credit enhancement post construction or substantial rehab
- Immediate funding for acquisition, refinancing or credit substitution
- Preservation rehabilitation for properties with tenants in place
- Deals with new 4% or 9% LIHTC may be underwritten to a minimum of 1.15 debt credit ratio (OCR)
- We support eligible mixed-use properties

	FORWARD COMMITMENT	IMMEDIATE FUNDING	IMMEDIATE FUNDING
Eligible Property Types	To-be-built or substantially rehabilitated garden, mid-rise or high-rise multifamily properties with 4% LIHTC	Garden, mid-rise or high-rise multifamily properties with 4% LIHTC that maintain 90% occupancy for 90 days	Garden, mid-rise or high-rise multifamily properties with 4% LIHTC undergoing moderate rehabilitation with tenants in place
Terms	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less Maximum term: 35 years	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less Maximum term: 35 years	Minimum term: Remaining LIHTC compliance period or 15 years, whichever is less Maximum term: 35 years Rehabilitation/stabilization period (at a maximum of 24 months) will be included in loan term
Product Description	Bond credit enhancement for new construction or substantial rehabilitation of affordable multifamily properties with 4% Low-Income Housing Tax Credits (LIHTC)	Bond credit enhancement for the acquisition or refinance of stabilized affordable multifamily properties with 4% LIHTC with at least 7 years remaining in the LIHTC compliance period	Bond credit enhancement provided for the moderate rehabilitation of affordable multifamily properties with new 4% LIHTC and tenants in place

	FORWARD COMMITMENT	IMMEDIATE FUNDING	IMMEDIATE FUNDING
Type of Funding	Bond credit enhancement available during construction phase (funded forward); letter of credit collateral required during construction phase; bond credit enhancement during permanent phase following successful conversion Forward commitment to provide bond credit enhancement upon successful conversion from construction phase to permanent phase (unfunded forward)	Bond credit enhancement for fixed- or variable-rate tax- exempt bonds	Bond credit enhancement for acquisition/rehabilitation based on projected post-rehab net operating income (NOI); cash or letter of credit collateral required to fund gap between supportable debt on current NOI and bond mortgage loan amount (collateral held until stabilization); interest only available during the rehabilitation/stabilization period
Minimum Debt Coverage Ratio ²	<ul style="list-style-type: none"> Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x 	<ul style="list-style-type: none"> Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x 	<ul style="list-style-type: none"> Variable-rate with cap hedge: 1.20x Fixed-rate: 1.15x
Maximum Loan-to-Value ²	<ul style="list-style-type: none"> Variable-rate with cap hedge: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted value or 90% of market value 	<ul style="list-style-type: none"> Variable-rate with cap hedge: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted value or 90% of market value 	<ul style="list-style-type: none"> Variable-rate with cap hedge: 80% of adjusted value or 85% of market value Fixed-rate: 85% of adjusted value or 90% of market value
Construction Loan Term	Maximum forward commitment term: 36 months plus a free 6-month extension during construction period	N/A	N/A
Maximum Amortization	35 years	35 years	35 years
Prepayment Provisions	Fee maintenance	Fee maintenance	Fee maintenance
Subordinate Financing	Permitted	Permitted	Permitted
Tax and Insurance Escrows	Required	Required	Required
Fees	Application fee, commitment fee, credit facility fee, plus other fees as applicable	Application fee, commitment fee, credit facility fee, plus other fees as applicable	Application fee, commitment fee, credit facility fee, plus other fees as applicable

FOR MORE INFORMATION ON HUNT MORTGAGE GROUP,
CONTACT YOUR HUNT MORTGAGE GROUP REPRESENTATIVE.