RIHousing Taxable Refinance Term Sheet
with HUD Risk Sharing Insurance

Product Description:	Permanent taxable loan
Eligible Properties:	RIHousing financed properties that have an existing Regulatory Agreement, and the existing loan is more than 10 years old, and non-RIHousing financed properties.
Maximum Loan-to-Value:	Maximum 90% of appraised value as improved based upon a RIHousing commissioned appraisal.
Rents:	Underwriting to the lesser of Section 8 or Current Market Rents or, tax credit rents or market rents.
Debt Service Coverage:	Minimum 1.15
Loan Term:	30, 35 or 40 year fully amortizing loans are available
Vacancy Rate:	5 percent; lower for qualifying affordable developments
Rehabilitation:	Based on a RIHousing commissioned Capital Needs Assessment (CNA), proceeds will be utilized to ensure that at a minimum, immediate repairs and ADA deficiencies are completed within the first year, including any health and safety related issues.
Replacement Reserve:	Borrower will be required to capitalize a Replacement Reserve equal to $2,000 per unit and make annual deposits equal to a minimum of $325 per unit. We reserve the right to require higher initial or annual deposits based upon the CNA analysis of future capital needs.
Operating Reserve:	An up to amount equal to 6 months debt plus 6 months operating expenses minus the initial deposit to the Replacement Reserve. RIHousing may allow a reduced Operating Reserve for well-seasoned developments with historically low vacancy rates.
Interest Rate:	Fixed rate financing. Please contact the Development Department at RIHousing for current rates.
Mortgage Insurance Premium:	Credit enhancement provided through the HUD/HFA Risk Sharing Program, minimum MIP is .125% of the outstanding loan amount annually and is included in the interest rate. One year of MIP is due at closing and should be included in the development budget.

Application Fee:	$2,500 due prior to Preliminary Commitment by our Board of Commissioners for deals not currently financed by RIHousing.
Origination Fee:	2% of the first $5,000,000; 1% thereafter
Developer Fee:	For transactions with a rehabilitation component, Developer Fee is a maximum of 5% of acquisition (subject to a P&S Agreement) and 10% of construction and soft costs not including new reserves and Developer's Fee.
Tax and Insurance:	Borrower will be required to capitalize tax and insurance escrows in amounts not to exceed 6 months of the annual premiums and make monthly payments equal to one-twelfth of the annual premiums.
Third Party Fees:	The Borrower will be responsible for paying any and all third-party fees required to complete the due diligence review and all lender legal costs to close the transaction. Costs may be capitalized in the development budget.
Regulatory Agreement:	Borrower is required to sign an affordability agreement restricting the units for 40 years from closing.
Prepayment Premium on existing loan:	Prepayment penalty waived based on refinancing terms with RIHousing. A prepayment fee equal to the Present Value of lost income as calculated by RIHousing will be the benchmark for determining whether or not the fee is waived.
Prepayment Provisions of New loan:	Not allowed for first 15 years. Prepayment fee equal to the Present Value of lost income as calculated by RIHousing which may be waived if the loan is refinanced with RIHousing.
Recourse:	Loans are non-recourse secured by a first mortgage lien on both land and improvements.

This is not an offer to make a loan. This term sheet serves as an outline of this program's underwriting criteria and is for discussion purposes only. For more information, contact Anne Berman, Director of Development, at (401) 457-1269 or aberman@rihousing.com.

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