

9% LIHTC Cash Loan

Low-Income Tax Credits for Affordable Housing Loans

Get a cash loan for affordable multifamily properties with 9% Low-Income Housing Tax Credits (LIHTCs). We can help with these properties — whether it’s for new construction, a moderate or major renovation, or the acquisition or refinancing of stabilized properties.

For More Information:

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PRODUCT SNAPSHOT

- Forward commitment for new construction or a major rehab
- Immediate funding to acquire or refinance a property
- Preservation rehabilitation for properties with tenants in place
- A deal with new 4 percent or 9 percent LIHTC may be underwritten to a minimum of 1.15x debt coverage ratio (DCR)
- We support eligible mixed-use properties

	FORWARD COMMITMENT	IMMEDIATE FUNDING	PRESERVATION REHABILITATION
Eligible Property Types	To-be-built or substantially rehabilitated garden, mid-rise or high-rise multifamily properties with 9% Low-Income Housing Tax Credit (LIHTC)	Garden, mid-rise, or high-rise multifamily properties with 9% LIHTC with 90% occupancy for 90 days	Garden, mid-rise or high-rise multifamily properties with 9% LIHTC that are undergoing moderate rehabilitation with tenants in place
Terms	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing Maximum term: 35 years	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing Maximum term: 35 years	Minimum term: Lesser of 15 years or the remaining LIHTC compliance period; 15 years with HUD Risk Sharing Maximum term: 35 years Rehabilitation and stabilization period (at a maximum of 24 months) will be included in the loan term
Construction Loan Terms	Maximum forward commitment term: 36 months plus a free 6-month extension during construction period	N/A	N/A

	FORWARD COMMITMENT	IMMEDIATE FUNDING	PRESERVATION REHABILITATION
Product Description	Forward commitment for new construction or substantial rehabilitation of affordable multifamily properties with 9% LIHTC	Financing for the acquisition or refinance of stabilized affordable multifamily properties with 9% LIHTC with at least 7 years remaining in the LIHTC compliance period	Financing for the moderate rehabilitation of affordable multifamily properties with new 9% LIHTC and tenants in place
Type of Funding	Funded or unfunded construction financing commitment; permanent financing at conversion	Permanent financing	Financing for acquisition/rehabilitation (for a maximum of 24 months) based on projected post-rehabilitation net operating income (NOI); cash or letter of credit collateral required to collateralize gap between supportable debt on current NOI and loan amount (collateral held until stabilization); interest only during the rehabilitation/stabilization period
Minimum Debt Coverage Ratio (DCR)¹	1.15x	1.15x	1.15x
Maximum Loan-to-Value (LTV) Ratio¹	90% of market value	90% of market value	90% of market value
Maximum Amortization	35 years	35 years	35 years
Prepayment Provisions	Yield maintenance	Yield maintenance	Yield maintenance
Tax and Insurance Escrows	Required	Required	Required
Fees	Application fee, commitment fee, Delivery Assurance Fee, plus other fees as applicable	Application fee, commitment fee, plus other fees as applicable	Application fee, commitment fee, plus other fees as applicable
Securitization Available	No	Yes	No
Early Rate-Lock (ERL) Options	Not applicable	Early rate-lock or Index Lock options available	Not applicable

¹ Adjustments may be made depending on the property, product and/or market.

The LIHTC Program, based on Section 42 of the Internal Revenue Code, was enacted by Congress in 1986 to provide the private market an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer more affordable rents. Provided the property maintains compliance with the program requirements, investors receive a dollar-for-dollar credit against their Federal tax liability each year over a period of 10 years.