

## Flexible Tax-Exempt Loan (Loan-to-Fixed)

Our Tax-Exempt Loan Just Got More Flexible

Flex TEL has made our Tax-Exempt Loan a whole lot more flexible to meet the needs of borrowers.

A floating-rate loan—for up to three years before converting to fixed—provides lower debt service payments and the flexibility to meet unforeseen expenses that often crop up when you renovate. We increase a borrower's cash flow, without changing the size of the loan.

### FOR MORE INFORMATION:

**Jim Flinn**, Vice Chairman  
CBRE Affordable Housing

206.664.9313 | james.flinn@cbre.com

### PRODUCT SNAPSHOT

- A floating-rate loan (SIFMA- or LIBOR-based) during the initial rehab period for up to 3 years before converting to fixed
- Flexible to meet the needs of borrowers
- Doesn't create additional loan proceeds or change loan size
- We're growing with our Tax-Exempt Loan products: 167 loans to date, \$2.5 billion and counting, in 27 states and D.C.
- A deal with new 4% Low-Income Housing Tax Credits may be underwritten to a minimum of 1.15x DCR
- We support eligible mixed-use properties

<b>Eligible Borrowers</b>	Well-qualified Targeted Affordable Housing approved Borrowers
<b>How It Works</b>	<ul style="list-style-type: none"> <li>• Floating-rate period: up to three years. Interest-only, locked-out/no prepayments. No supplemental loans during floating-rate period</li> <li>• Floating-rate loan is hedged with a third-party cap</li> <li>• After the rehab period, the interest rate on the tax-exempt loan would convert to a fixed rate for the remaining term of the loan (maximum total loan term up to 18 years), at which point the loan would begin to amortize</li> <li>• A 10-year prepayment lock-out period begins when the TEL converts to the fixed rate</li> <li>• The TEL would be sized based on the fixed rate, using the existing TEL credit parameters, and the floating-rate period would not create additional loan proceeds</li> <li>• <a href="#">Refinance Test</a> based on the fixed rate</li> </ul>
<b>Delivery Options</b>	Standard delivery only; no early rate-locks or spread locks