

Small Mortgage Assistance Program (SMAP) Term Sheet

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| Program: | Small Mortgage Assistance Program |
| Eligible Projects: | <p>1) Affordable Rental Housing defined by the Low Income Housing Tax Credit Program</p> <p>2) Twenty or more units</p> <p>3) Be located within the Commonwealth</p> <p>4) Provide a permanent, decent, safe and sanitary structure for year round residential use on a non-transient basis</p> |
| Borrower: | Pennsylvania Single Purpose Entity |
| Loan Sizing: | The loan must be sized using a minimum debt service coverage ratio of 1.15 in the base year. A minimum debt service coverage ratio of 1.0 must be maintained throughout the initial 15 years of project operations. |
| Loan Term: | 18 Years |
| Loan Rate: | U.S. 10-year Treasury rate plus 250 bps |
| Credit Enhancement Fee: | None |
| Amortization Period: | 30 Years |
| Origination Fee: | The greater of 0.5% of the loan or \$1,500 |
| Recourse: | Loan is non-recourse. |
| Maximum Loan: Minimum Loan: | \$750,000 \$200,000 |
| Environmental Clearance: | Completed by PHFA and is a prerequisite to the start of construction. |
| Subsidy Layering Review: | Completed by PHFA, when applicable. Subsidy Layering Review fee \$2,000. |
| Davis Bacon Wages: | Not applicable |
| AFHMP: | Affirmative Fair Housing Marketing Plan is required. |
| Loan Closing: | Conducted by PHFA. |
| Reserve Requirements: | The following reserves must be held by the Agency: Operating Reserve, Development Contingency Fund, Real Estate Tax and Insurance Escrows, and Replacement Reserves. |