
EQUITY BRIDGE LOAN PROGRAM

Currently the Agency is not offering an Equity Bridge Loan Program for the 2012 Application Funding round. Please check our website for updates.

The Agency has a limited amount of funds that are available to provide Equity Bridge Loan funds for certain multifamily properties which have short-term funding needs due to deferred equity pay-ins from investors in the Tax Credit Program may be available through the Agency. This program is available to new applications for Agency financing, developments which have received Agency feasibility approval or developments which have received a reservation of Tax Credits. Applications will be considered on a first-come, first-serve basis.

Applications for an Equity Bridge Loan may be made at application or at any time up to 60 days prior to the initial loan/equity closing.

Refer to the Bridge Loan Closing Indices for the Agency funded developments and Tax Credit only funded developments.

PROGRAM HIGHLIGHTS

MAXIMUM LOAN AMOUNTS

The Equity Bridge Loan is limited to the amount necessary to fund the equity contribution to cover replacement costs (the "PHFA Cash Equity Requirement"). The Agency reserves the right to adjust the amount of the Equity Bridge Loan at initial loan closing.

The maximum Bridge Loan amount shall not exceed the greater of \$8,000,000 or 75% of the anticipated equity used to cover replacement costs.

INTEREST RATE

Three month LIBOR plus 150 basis points (to be fixed by the Agency) at loan/equity closing.

REPAYMENT TERM

Repayment of the equity bridge loan shall be concurrent with the equity investor pay-in schedule, or a period as agreed upon by all parties. In no event shall repayment exceed two years from initial loan/equity closing. The Equity Bridge Loan may not be rolled over into other Agency financing.

COLLATERAL

Requirements will include a Demand Note (in a form and manner acceptable to the Agency which must provide fixed, unconditional payments and assignable to PHFA), Pledge and Assignment of each Investor/Limited Partner's interest in the project partnership, and mortgage against the property. In addition, the Agency reserves the right to require additional collateral on a case-by-case basis.

FEES

Application fee is \$1,000.

The origination fee is .25% of the Equity Bridge Loan amount.

LOAN DISBURSEMENT

The Agency will disburse the Equity Bridge Loan proceeds during construction pursuant to the terms and conditions of a Disbursement Agreement. Equity Bridge Loan funds may be disbursed subsequent to contingent project financing including PennHOMES but prior to permanent mortgage financing. Disbursement will be limited only to the project's replacement cost items.

MISCELLANEOUS

The Borrower may not assign its interest in the Project, nor convey, sell, transfer, or encumber any interest in the Project or any related Equity Bridge Loan Commitments, without the Agency's prior written approval. In addition, the Borrower may not sell or assign any general limited partnership interests without the Agency's prior written approval.

SUBMISSION OF EQUITY BRIDGE LOAN APPLICATION

Applications for the Agency Equity Bridge Loan Program may be made at any time prior to the Agency's loan commitment of financing or the initial equity closing. If the Equity Bridge Loan Application is made subsequent to the initial application for other Agency financing, a letter of request stating the amount of the equity bridge loan needed, updated syndication letter, and stated term of repayment to effectively correspond with the equity pay-in schedule, etc. as provided in Tab 24, Syndication Information, must be provided. Requests for funding with the initial application may be made by submitting the aforementioned documents under Tab 23, Bridge Loan Financing, in the Application. Refer to the Agency's web site www.phfa.org prior to making an Equity Bridge Loan application for funding availability and current rates.