

PHFA Taxable Mortgage Program



Program Funding for 9% Tax Credit Deals & Other Taxable Projects

- Eligible Project**
1. A minimum of 20% of the units must be rented to tenants whose incomes do not exceed 80% of the area median income for non 9% tax credit deals. If receiving 9% credits then 20% of the units must be rented to tenants whose incomes do not exceed 50% of the area median income or a minimum of 40% of the units must be rented to tenants whose incomes do not exceed 60% of the area median income.
 2. Twenty-Four or more units
 3. Occupancy has been no less than 93 percent for the previous 12 months for existing projects
 4. No default on the loan to be refinanced within the previous 12 months

Borrower Pennsylvania single purpose entity

Loan Sizing Determined using affordable rents considering existing and future rent restrictions. Confirmation of rents to be addressed a Rent Comparability Study.

Loan Rate & Term Indicative permanent fixed interest rate as of October 10, 2018:

Term	Amortization	Rate
30	30	5.500%
35	35	5.625%
18	30	5.375%
18	35	5.500%

Additional maturity structures are available. Contact the Agency for details. Rates and structure may change due to market changes and development specifics. The above rates are not guaranteed until confirmed by PHFA.

Servicing Fee Annual 0.25% of the loan amount paid monthly

Origination Fee 1.0% of the loan; \$10,000 minimum

Contact for Information:

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Cost of Issuance	0.625% of Loan Amount
Recourse	Loan is non-recourse
Maximum Loan	An amount based on the lesser of the following: <ol style="list-style-type: none">1. In no event will the loan amount exceed 90% of the appraised value as determined by PHFA in its sole discretion,2. Debt service coverage not less than 1.15 in year 1 and not less than 1.0 in year 15.
Equity Take-out	Permitted
Third Party Reports	Appraisal, Property Capital Needs Assessment, Energy Audit, and Environmental Site Assessment Phase I All additional information or documentation requested by the Agency. (Third party reports are to be ordered and provided by the borrower.)
Environmental Clearance	Completed by PHFA.
Subsidy Layering Review	Completed by PHFA, when applicable. Subsidy Layering Fee \$2,000.
Special conditions	PHFA will require and hold tax and insurance escrows. PHFA will hold the reserve for replacement funds. The beginning balance will be established after review of the physical needs study by PHFA's Technical Services Division.
Early Termination Processing Fee	A 10% early termination processing fee in the first year following the date of closing and declining one percent each year thereafter with no early termination processing fee after year ten.
Agency Legal Fees	\$15,000 plus any actual closing expenses not to exceed an additional \$2,500
Loan Closing	Conducted by PHFA

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