

Term Sheet

SunTrust has a dedicated affordable housing team with expertise on a wide variety of products catered to affordable multifamily properties. For financing affordable properties, there is an array of Fannie Mae DUS[®] Mortgages that generally have more attractive terms and expedited processing than for conventional loans.

Eligible Properties

A Multifamily Affordable Housing mortgage can be used for the acquisition or refinance of multifamily properties that are subject to income or rent restrictions.

Eligible Borrowers

Any creditworthy single-asset US borrower with all US principals is eligible. Foreign borrowers may also have ownership interests, subject to proper structuring of the borrowing entity.

Loan Amount

\$2 million minimum; no maximum.

Loan Term

Terms ranging from 5 to 30 years are available. Terms of 5, 7, 10, 12, 15, 18 or 30 years are standard. Floating- and fixed-rate options are available on 7- and 10-year terms.

Amortization

Up to 35 years for new LIHTC in select cases;
Up to 30 years for preservation.

Maximum LTV

85% to 90% for new LIHTC; 80% for preservation.

Minimum DSCR

1.15x for new LIHTC; 1.20x for preservation.

Recourse Requirements

Non-recourse execution. Standard carve-outs to non-recourse for “bad acts” such as fraud are required.

Property Seasoning

New properties must have stabilized, have occupancy exceeding 85% and have shown consistent collections and occupancy. SunTrust can assist the borrower in finding bridge financing to meet the seasoning requirements.

Escrows

Replacement reserve, tax and insurance escrows are typically required for higher leverage transactions. A re-stabilization reserve is required for projects with Housing Assistance Payment contracts expiring within the term of the loan.

Third-Party Reports

Standard third-party reports – Appraisal, Phase I Environmental Assessment and a Physical Needs Assessment – are required.

Interest Rates

Fixed and variable rates are available.

Accrual Basis

Actual/360

Rate Lock

30-day commitments are available. Extended rate lock feature is also available.

Pricing

Pricing is tiered and based on the risk attributes of the loan.

Assumption

Fannie Mae DUS[®] loans are typically assumable, subject to SunTrust’s review and approval of the new borrower’s financial capacity.

Fannie Mae Multifamily Affordable Housing



Term Sheet *(continued)*

Prepayment Provisions

Fannie Mae offers borrowers a variety of prepayment premium options including yield maintenance and flexible prepayment options for floating-rate transactions.

Supplemental Financing

Available

To learn more about SunTrust Commercial Real Estate, visit suntrustcre.com.

This term sheet is only for the purpose of setting forth standard required terms of a HUD-insured loan for informational purposes and a basis upon which the parties may be agreeable to proceed toward a potential transaction and is not intended to be a legally binding contract or to impose any liabilities or obligations on any party. The terms reflected in this term sheet are subject to change or withdrawal at any time in SunTrust Bank's sole discretion (due to market conditions or otherwise) and do not constitute a binding offer to enter into a transaction. Finalized terms and conditions are subject to further discussion and negotiation and would be evidenced by execution of definitive documentation acceptable to the parties, and it is understood that this term sheet does not set forth all of the terms of such definitive documentation. Standard credit criteria apply.