

Multifamily Revenue Bond Program New Issue Bond Program (NIBP) - GSE Tax Exempt Bond Financing

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<p>Eligible Projects:</p>	<p>New construction or acquisition and rehabilitation of multifamily properties.</p> <p>Must meet one of the following requirements of Section 142(d) of the IRS Code with respect to affordability:</p> <ul style="list-style-type: none"> • 20% or more of the units are affordable to individuals or families who make 50% or less of the area median income; OR 40% or more of the units are affordable to individuals or families who make 60% or less of the area median income. <p>Sponsors will be required to close during one of the three scheduled “escrow breaks”. The timing of such escrow break will be set by the Agency. All NIBP escrow breaks must occur before December 16, 2010.</p>
<p>Credit Enhancement:</p>	<p>All mortgages must be insured by Fannie Mae or Freddie Mac.</p> <p>Detailed information for the various types of credit enhancement/mortgage insurance (debt coverage service ratio (DSCR), loan to value, reserve requirements, loan term, amortization, etc.) can be found on the credit enhancer/insurer’s website or by contacting an approved seller/servicer.</p> <p>DCHFA has relationships with several national FHA, Fannie Mae and Freddie Mac lenders. All platforms have construction to permanent loan provisions. Some programs, depending on structure, require separate construction period loans and enhancement/insurance. DCHFA has relationships with construction lenders and construction period letter of credit providers. For more information on program participants, please call 202-777-1655.</p>
<p>Permanent Loan Terms (General):</p>	<p>Loan terms vary, depending on the type of credit enhancement/mortgage insurance.</p> <p>Fannie Mae/Freddie Mac:</p> <ul style="list-style-type: none"> • Maximum Loan Term: Up to 34 years • Maximum Loan Amortization: 35 years • Balloon option available
<p>Base Rate:</p>	<p>The base rate for Aaa/AAA rated deals is 4.56%.</p> <p>Optional, variable (SIFMA based) construction period rates are available for up to four years. If this option is chosen, the permanent base rate is increased by 0.80%.</p>
<p>Additions to Base Rate (for total annual all-in mortgage rate) :</p>	<p>Freddie Mac – varies; market priced. Fannie Mae – varies; market priced.</p>
<p>NIBP Fees and DCHFA Fees:</p>	<p>NIBP Reservation Fee: A one time fee of 35 bps of the NIBP bond amount is due once DCHFA’s Board of Directors has passed a resolution reserving private activity bond volume cap for the transaction. This non-refundable fee is in addition to standard DCHFA fees and covers the extra costs of issuing the NIBP bonds. Reservations are on a first-come, first-served basis. DCHFA reserves the right to rescind the reservation of NIBP bonds if the borrower has not submitted, on or before September 16, 2010, the required documentary evidence indicating the borrower’s readiness to close by November 24, 2010.</p>

