



**THE OHIO PRESERVATION LOAN FUND
LENDING GUIDELINES AND TERM SHEET**

For information, please contact:
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THE OHIO PRESERVATION LOAN FUND

PURPOSE

The Fund provides a flexible source of capital to be utilized by the development partners of the Ohio Capital Corporation for Housing (OCCH), the Ohio Housing Finance Agency (OHFA), and the Coalition on Housing and Homelessness in Ohio (COHHIO) for the preservation of affordable housing in Ohio. The Preservation Fund offers *predevelopment funding* (architectural drawings, permitting, professional fees, Phase I, engineering costs, etc.), *acquisition financing* for existing projects, and *bridge financing* for preservation projects that have completed the tax credit compliance period.

LENDER

The Lender is the Ohio Preservation Loan Fund, LLC and is operated by the Ohio Capital Finance Corporation. It is an \$18M revolving loan fund comprised of investors and participants including: The John T. and Catherine D. MacArthur Foundation, Ohio Housing Finance Agency, PNC Community Development Company LLC, US Bank, Key CDC, Fifth-Third Bank, WesBanco, The Huntington CDC, and National Cooperative Bank and the Ohio Capital Finance Corporation.

GENERAL REQUIREMENTS AND LENDING GUIDELINES

- All Projects must be located in Ohio
- All Loans must have a likely and plausible payoff strategy
- Preservation is defined as an affordable residential rental property that is at risk of losing tenant rental subsidy or have expiring rent and/or occupancy restrictions and/or are financed with HUD programs (such as, Section 8, Section 202, Section 236 or Section 811 programs), USDA Rural Development programs, Tax Credits, and/or public housing programs.
- All Projects must have 100% of the units affordable to and occupied by residents earning less than 60% of the area median income
- All Projects may entail multi-family properties of at least 25 units.
- The minimum loan amount for a predevelopment loan is \$25,000
- The minimum loan amount for an acquisition loan is \$250,000
- Borrowers may be nonprofit, public housing authorities or for-profit entities.
- Each Borrower (i.e. developer, guarantor, general partner, etc.) must be in good standing with OHFA
- Interest accrues and is due quarterly with principal payable upon repayment of the Loan.
- Borrower is responsible for all 3rd party fees including: legal, title, and recording
- There are no prepayment penalties
- Developer Fees and operating costs are not eligible funding costs
- All Loans are expected to close and fund within 30 days of approval. Loan extensions may be granted upon a written request from the borrower.
- The maximum lending limit per transaction for is \$5,000,000 (not including fees)
- The maximum lending limit per Borrower is \$5,00,000 (not including fees)
- Servicing and Origination Fees may be borrowed in addition to the maximum loan amount
- A borrower may utilize both an acquisition loan and predevelopment loan.

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OPLF TERM SHEET

	PREDEVELOPMENT LOAN	ACQUISITION LOAN	Y15 BRIDGE LOAN
ELIGIBILITY	Available to experienced developers of affordable housing. Preference is provided for developers who have closed on at least one Preservation transaction.	Available to experienced developers of affordable housing. Preference is provided for developers who have closed on at least one Preservation transaction.	Available to experienced developers of affordable housing. Preference is provided for developers who have closed on at least one Preservation transaction.
LOAN AMOUNT	Maximum Loan Amount: Maximum \$150,000+fees	Maximum Loan Amount: Maximum \$5,000,000+fees	Maximum Loan Amount: \$1,000,000+fees
ELIGIBLE USES	The predevelopment loan provides funding for costs such as reservation fee, market study, phase I, engineering and design fees, professional fees, bank commitment fees, etc.	The acquisition loan can be used to acquire the land or buildings for affordable housing	Short Term bridge financing for the purposes of disposition or resyndication of affordable housing at the end of its 15-year compliance period. It can also be used to payoff the balloon of a first mortgage before a project can be refinanced, sold to a third party, or resyndicated
INTEREST RATE	Variable with floor of 3.5%*	Variable with floor of 3.5%*	Variable with floor of 3.5%*
PREPAYMENT PENALTY	None	None	None
ORIGINATION FEE	The greater of \$1,000 or 1%	The greater of \$1,000 or 1%	The greater of \$1,000 or 1%
SERVICING FEE	The greater of \$1,000 or 1%	The greater of \$1,000 or 1%	The greater of \$1,000 or 1%
CLOSING COSTS	\$500 document preparation	\$500 document preparation + legal and closing costs	\$500 document preparation + legal and closing costs
COLLATERAL	Developer guarantee and assignment of general partner interest	1 st mortgage, developer guarantee and assignment of general partner interest	1st mortgage, developer guarantee and assignment of general partner interest
TERM	The earlier of the construction loan closing or 36 months	The earlier of the construction loan closing or 36 months	Less than 36 months
LOAN TO VALUE	Not Applicable	Limited to 100% of purchase price	Maximum of 75% of As Is Appraised Value

*The Preservation Loan Fund's interest rate is a blended rate and can be provided upon request.

To apply for a loan from the Fund, please go to http://www.occh.org/predevelopment_lending