



LENDING GUIDELINES AND TERM SHEETS FOR:

THE OHIO AFFORDABLE HOUSING LOAN FUND

THE OHIO PRESERVATION LOAN FUND

THE OCFC PERMANENT LOAN PRODUCT

For information, please contact:

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<https://www.occh.org/resource/ohio-capital-finance-corporation-ocfc/>

Effective October 2019

THE OHIO AFFORDABLE HOUSING LOAN FUND

PURPOSE

The Ohio Affordable Housing Loan Fund (OAHLF) provides a flexible source of capital to be utilized by development partners of the Ohio Capital Corporation for Housing (OCCH) for use as: *predevelopment funding, acquisition financing, and bridge financing.*

LENDER

The Lender is the *Ohio Affordable Housing Loan Fund I, LLC*. It is comprised of investors and participants (PNC Community Development Company LLC, US Bank, Key CDC, Fifth-Third Bank, WesBanco, The Huntington CDC, National Cooperative Bank, and RiverHills Bank) and the Ohio Capital Finance Corporation (an affiliate of the OCCH).

GEOGRAPHIC FOCUS

All Projects must be located in Ohio, Indiana, Michigan, Kentucky, Pennsylvania or West Virginia.

LOAN PRODUCTS

1. **Predevelopment Loan** for costs associated with architectural drawings, permitting, professional fees, environmental investigation, and engineering
2. **Acquisition Loan** for use in acquiring existing projects or vacant land
3. **Equity Bridge/Construction Loan** for existing projects with a need to bridge investor equity or provide capital during construction phase
4. **Y15 Loan** for projects that have completed the tax credit compliance period

MAXIMUM LOAN AMOUNT

- The maximum lending limit per transaction is \$5,000,000.00 (not including fees)
- The maximum lending limit for predevelopment loans is \$150,000 (not including fees)
- The maximum lending limit per Borrower is \$5,000,000.00 (not including fees)

MINIMUM LOAN AMOUNT

The minimum loan amount for all Loans is \$10,000.

PROJECT REQUIREMENTS

- All Projects must have at least 80% of the units affordable to and occupied by residents earning less than 60% of the area median income
- All Projects may entail either multi-family or single-family properties
- All Projects must include at least 15 units

FEES

- Servicing and Origination Fees may be borrowed in addition to the maximum loan amount.
- Borrower is responsible for all third party fees including: legal, title, recording, and any other third party fees.

GENERAL REQUIREMENTS AND LENDING GUIDELINES

- The Borrower will agree to syndicate with an Ohio Equity Fund or one of the investors if the Project has an award of Tax Credits
- 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
- All Loans must have a likely and plausible payoff strategy
- Predevelopment Loans, Acquisition Loans and Equity Bridge/Construction Loans must have a valid reservation of tax credits
- Interest accrues and is due and payable upon repayment of the Loan
- Non Tax Credit Loans must have financing commitments
- 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
- A Borrower may utilize both an acquisition loan and predevelopment loan

For information on Loans, please contact:

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OAHLF TERM SHEET

	PREDEVELOPMENT LOAN	ACQUISITION LOAN	EQUITY BRIDGE/Construction LOAN	RECOVERY HOUSING LOAN
ELIGIBILITY	<p>Available to experienced developers of affordable housing.</p> <p>Preference is provided for developers who have closed on at least one transaction with OCCH or a loan fund investor.</p>	<p>Available to experienced developers of affordable housing.</p> <p>Preference is provided for developers who have closed on at least one transaction with OCCH or a loan fund investor.</p>	<p>Available to experienced developers of affordable housing.</p> <p>Preference is provided for developers who have closed on at least one LIHTC transaction.</p>	<p>Available to experienced developers of recovery housing projects.</p> <p>Preference is provided for developers who have closed on at least one Recovery Housing Capital Application.</p>
AMOUNT	Pre-Development Loan: Maximum \$150,000+fees	Acquisition Loan: Maximum \$1,000,000+fees	Maximum Loan Amount: \$5,000,000+fees	Maximum Loan Amount: \$500,000+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 or bridging in tax credit equity	Short Term bridge financing for the purposes of bridging in Ohio Mental Health and Addiction Services' Capital Funding for Recovery Housing.
INTEREST RATE	Variable at the greater of 4.0% or Prime minus 50bps	Variable at the greater of 4.0% or Prime minus 50bps	Variable at the greater of 4.0% or Prime minus 50bps	Variable at the greater of 4.0% or Prime minus 50bps
PREPAYMENT PENALTY	None	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%	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%	The greater of \$1,000 or 1%

CLOSING COSTS	\$500 document preparation + legal and closing costs	\$500 document preparation + legal and closing costs	\$500 document preparation + legal and closing costs	\$500 document preparation + legal and closing costs
COLLATERAL	Developer guarantee and assignment of general partner interest	1st or 2nd mortgage, developer guarantee and assignment of general partner interest	Developer Guarantee, assignment of general partner interest, and assignment of limited partner's capital contribution	1 st mortgage, developer Guarantee, and Assignment of Capital Grant from Ohio Department of Mental Health and Addiction Services
TERM	The earlier of the construction loan closing or 24 months	The earlier of the construction loan closing or 24 months	Less than 24 months	Less than 24 months
LOAN TO VALUE	Not Applicable	Limited to 100% of purchase price	Not Applicable	Not Applicable

To apply for a loan from the Ohio Affordable Housing Loan Fund I, LLC, please go to:

<https://www.occh.org/resource/ohio-capital-finance-corporation-ocfc/>

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, acquisition financing, and equity bridge/construction financing*.

LENDER

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

GEOGRAPHIC FOCUS

All Projects must be located in Ohio.

LOAN PRODUCTS

1. **Predevelopment Loan** for costs associated with architectural drawings, permitting, professional fees, environmental investigation and engineering
2. **Acquisition Loan** for use in acquiring preservation projects or vacant land
3. **Equity Bridge/Construction Loan** for existing projects with a need to bridge investor equity or who need capital during the construction phase

MAXIMUM LOAN AMOUNT

- The maximum lending limit per transaction for is \$5,000,000.00 (not including fees)
 - The maximum lending limit for predevelopment loans is \$150,000 (not including fees)
- The maximum lending limit per Borrower is \$5,000,000.00 (not including fees)

MINIMUM LOAN AMOUNT

- The minimum loan amount for a predevelopment loan is \$25,000
- The minimum loan amount for an acquisition or bridge loan is \$150,000

PROJECT REQUIREMENTS

- 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 must entail multi-family properties of at least 25 units

FEES

- Servicing and Origination Fees may be borrowed in addition to the maximum loan amount.
- Borrower is responsible for all third party fees including: legal, title, recording, and any other third party fees.

GENERAL REQUIREMENTS AND LENDING GUIDELINES

- 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
- 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 Loans must have a likely and plausible payoff strategy
- Interest accrues and is due semiannually (June 15th and December 15th) with principal payable upon repayment of the Loan
- 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.
- A borrower may utilize both an acquisition loan and predevelopment loan.

For information, please contact:

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OPLF TERM SHEET

	PREDEVELOPMENT LOAN	ACQUISITION LOAN	EQUITY BRIDGE/Construction 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: \$5,000,000+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 preservation eligible 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 or bridging in tax credit equity
INTEREST RATE*	2.96% or ½ of the greater of 4.0% or Prime minus ½ plus 83 bps	2.96% or ½ of the greater of 4.0% or Prime minus ½ plus 83 bps	2.96% or ½ of the greater of 4.0% or Prime minus ½ plus 83 bps
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	1 st 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 for Y15 Transactions

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

To apply for a loan from the Ohio Preservation Loan Fund, LLC please visit:
<https://www.occh.org/resource/ohio-capital-finance-corporation-ocfc/>

OCFC Permanent LOAN Term Sheet

PURPOSE

The OCFC Permanent Loan is a long-term debt product to be used in conjunction with any LIHTC projects which are syndicated by Ohio Capital Corporation for Housing.

LENDER

The Lender is the Ohio Capital Finance Corporation ("OCFC"). OCFC may sell or assign the loan to another financial institution.

GEOGRAPHIC FOCUS

All Projects must be located in Ohio, Indiana, Kentucky and West Virginia

MAXIMUM LOAN AMOUNT

The maximum loan amount is \$1,000,000.00 (not including fees)

MINIMUM LOAN AMOUNT

The minimum loan amount is \$100,000.00 (not including fees)

PROJECT REQUIREMENTS

All Projects must have at least 80% of the units affordable to and occupied by residents earning less than 60% of the area median income

FEES

Origination Fee: 1.0% of the loan amount paid at closing from 1st construction draw

Servicing Fee: 1.0% of the loan amount paid at closing from 1st construction draw

Third Party Fees: The Borrower is responsible for all 3rd party fees including: appraisal, phase I environment study, market study, legal, title, recording, etc.

Application Fee: None

GENERAL REQUIREMENTS AND LENDING GUIDELINES

Debt Coverage

Ratio: All Loans must underwrite to a 1.20 : 1.0 Debt Service Coverage upon stabilization

Loan Funding:

The loan will be funded in two stages:

1. The loan will initially fund simultaneously with the construction loan and equity closing.
2. The loan will be fully funded upon construction completion when the tax credit investor's equity completion payment is made, certificate of occupancy for all units, release or waiver of all liens and an acceptable draft cost certification has been reviewed

Term: 17 years (2 years for construction and 15 years for operations)

Amortization: Up to 30 years rehabilitation projects and up to 40 years for new construction projects

Interest Rate: Please call OCFC for a rate quote. The interest rate is locked upon execution of the term sheet and rate lock selection form. Monthly principle and interest payments begin upon the loan being fully funded.

Rate Lock Options:

1. A refundable rate lock fee of 5% of the permanent loan amount is collected at closing. Should the Interest Rate remain unchanged or decrease at the Funding Date, the Rate Lock Fee will be returned to the borrower. The lender will refund the paid Rate Lock Fee at a rate of 1.0% per every 10 bps of change between the 10-year Treasury Note as of the Rate Lock Date and the Funding Date, up to a maximum of 5%. The refund will be paid within 5 business days of the Funding Date. The interest rate would be equal to the 10-year Treasury Note plus 375 basis points.
2. A nonrefundable rate lock fee of up to of 1.0% per every 10 bps of change between the 10-year Treasury Note as of the Rate Lock Date and the Funding Date, up to a maximum of 10%. This fee will be deferred and will be due and payable upon maturity of the loan. The interest rate would be equal to the 10-year Treasury Note plus 375 basis points.
3. The interest rate will be locked at closing and no rate lock fee will be charged; however, the Interest Rate will be equal to the 10-year Treasury Note plus 425 basis points.

Loan to Cost
Ratio:

The loan amount shall not exceed 20% of the total project's cost.

Security: This is a nonrecourse loan. The loan will be in second position during construction and first position post construction (upon the repayment of the construction loan).

Prepayment
Penalty:

None

Other:

1. The Borrower agrees to syndicate with an OCCH sponsored equity fund
2. Available to experienced developers of affordable housing. Preference is provided for developers who have closed on at least one transaction with OCCH.
3. The Borrower is the LIHTC partnership or operating company
4. All Loans are expected to be fully funded within 18 months of closing.
5. Lender requires real estate tax, insurance and replacement reserves to be escrowed with Lender.

For information on Permanent Loans, please contact:

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