

# Multifamily Lending Program

## Refinance/Restructure



### Eligibility Requirements

To be considered, all loan applications must meet the following criteria:

- Properties must be located in GA, NC, SC, TN, TX or VA
- At least 51% of the project units must provide housing for “low income” persons, defined as:
  - For Metropolitan Areas: households with an income of 60% or less of the area median income; or
  - For Non-Metropolitan Areas: households with an income of 80% or less of the area median income.
- Rents, including utilities, cannot exceed the applicable low income rent ceiling based on 30% of household income.
- Qualified units must remain occupied by low income tenants while financing remains in place.

### Application and Review Process

Both for-profit and nonprofit developers/organizations may apply for Centrant Community Capital financing.

All applications are subject to a favorable staff review, followed by presentation to the Centrant Board of Directors for review and approval.

**A complete loan package must be received at least one month prior to taking the loan request to the Board.** Board meetings are generally held on the first Thursday of each month.

If approved, the loan request will be distributed to Centrant’s member financial institutions for review. Once Centrant has received aggregate participation commitments from its members in an amount totaling at least 100% of the proposed loan amount, a commitment letter will be issued for a maximum term of 90 days.

<b>Product</b>	Refinancing of existing HUD, USDA or LIHTC projects that are at or near completion of the initial 15-year affordability compliance period.
<b>Loan Term</b>	<ul style="list-style-type: none"> <li>• 5, 7 or 10 year maturity, with amortization periods up to 30 years</li> <li>• Longer terms will be considered on a case-by-case basis, not to exceed remaining term of LURA or other subordinated debt</li> </ul>
<b>DSC</b>	Minimum of 1.15x during entire loan term
<b>Loan-to-Value</b>	Maximum of 80%, based on restricted income value at stabilized occupancy
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>• All projects require an appraisal prepared by an approved Class IV designated appraiser approved by Centrant’s Board of Directors.</li> <li>• Appraisal must be engaged by Centrant and conform to Centrant’s Appraisal Policy.</li> <li>• Applicant is responsible for the cost of the appraisal, with payment made to Centrant.</li> </ul>
<b>Security</b>	First lien Deed of Trust / Mortgage only
<b>Fees</b>	<ul style="list-style-type: none"> <li>• Application Fee: \$750</li> <li>• Loan Fee: 1% (\$3,000 minimum, due at closing)</li> </ul>
<b>Commitment Term</b>	<ul style="list-style-type: none"> <li>• Up to 90 days</li> <li>• One 90-day extensions may be approved, subject to an additional 1/2% extension fee</li> </ul>
<b>Pricing</b>	<ul style="list-style-type: none"> <li>• Fixed rate during the loan term, based on the prior month’s average yield of the 10-year Treasury Note plus a competitive margin;</li> <li>• Pricing set and locked upon loan approval by the Board of Directors</li> </ul>
<b>Additional Security</b>	All projects will be controlled by a recorded Regulatory Agreement
<b>Reserves &amp; Escrow</b>	A tax & insurance escrow account, a replacement reserve account and an operating reserve account will be established or verified at time of permanent loan closing. The initial operating reserve amount will be determined at time of commitment.
<b>Legal Fees</b>	To be paid by Borrower at time of permanent loan closing

*All terms subject to periodic review/revision by the Centrant Community Capital Board of Directors*

# Loan Application Checklist

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The following is a list of exhibits and data which must be submitted with this application. Centrant Community Capital may require additional documentation deemed necessary to properly evaluate and underwrite each loan request.

The following items shall be required at time of application:

- \$750 application fee
- Income and expense proforma (including applicable replacement reserves)
- Operating statements and rent rolls for the previous three months
- Prior three years' annual third-party property audits
- Copies of Note & Deed of Trust for any subordinate debt that will remain in effect after closing
- Financial statements (Developer/Sponsor, Managing General Partner)
- Current appraisal (to be ordered in accordance with Centrant's policy)
- Environmental Report (Phase I or similar format, based upon loan amount and property risk profile)
- Ground leases (if applicable)
- IRS Letter with Tax ID# for the Partnership/LLC
- By-Laws and Articles of Incorporation/Organization for the LP/LLC
- Executed Partnership/LLC Agreement
- Narrative on managing general partner/sponsor's experience
- Management plan, management agreement & current real estate license for management company
- Narrative on management company experience

The following items shall be required prior to closing, unless otherwise specified:

- Certificate of Existence / Good Standing for the Partnership/LLC
- Certificate of Existence / Good Standing for the Management Company
- Updated Zoning Letter
- Updated As-Built Survey
- Title Commitment
- Hazard Insurance Policy in a sufficient amount listing Centrant as Mortgagee/Lender's Loss Payable
- General Liability Insurance coverage of at least \$1,000,000
- Fidelity Bond Insurance of at least \$100,000
- Executed Borrower's Resolution/Consent
- Executed Subordination Agreement(s), if applicable
- Property tax amount
- Property insurance premium

## Questions?

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