



## Loan Terms

# Affordable Housing Preservation Loans

Centrant offers a variety of flexible and personalized financing or refinancing solutions for existing multifamily rental housing that is affordable to low- and moderate-income households.

- Acquisition of an existing property
- Refinance an existing balloon note
- Cash-out for LIHTC equity investor payout
- Finance property upgrades and repairs
- Replenish depleted reserve accounts

Loan proceeds may be used for one or more of these intended purposes, with terms structured to meet the specific needs, goals and timeline of the borrower and property.

To learn how Centrant can assist you today, visit [www.centrant.org/lending](http://www.centrant.org/lending). For further questions, contact [info@centrant.org](mailto:info@centrant.org) or 984-344-9992.

**Term:** Up to 10 years, with options for introductory interest-only periods

**Amortization:** Up to 30 Years

**Interest Rates:** Pricing set at loan approval, and locked during a 6-month commitment period. Fixed or variable rate options available.

- **Interest-Only Period:** Prime plus a margin;
- **Perm Phase:** Average yield of 10-year Treasury plus a margin
- All pricing subject to applicable rate floors

**Debt Coverage Ratio:** Minimum 1.15x for term of loan

**Loan-to-Value:** Up to 80% of Restricted Income Valuation

**Loan Amount:** No minimum, up to \$10 million



**Eligible Borrowers:** Experienced for-profit and non-profit developers/entities with a demonstrated track record of successful affordable multifamily housing development, ownership and operation.

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**Eligible Properties:** Established, stabilized affordable multifamily housing properties:

- Approaching or beyond the end of their LIHTC 15-year compliance period; or
- Non-LIHTC properties with active regulatory rent, income or similar use restrictions or subsidy contracts.

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**Affordability Requirements:**

- At least 50% of the units are rented to households earning 80% or less of median income; or
- 40% or more of the units are rented to households earning 60% or less of median income; or
- 20% or more of the units are rented to households earning 50% or less of median income.

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**Other Features:**

- For projects involving modest repairs/rehabilitation:
  - Approved work will be expected to commence within 90 days of loan closing, with anticipated completion not to exceed 12 months.
  - Funding for rehabilitation projects of less than \$250,000 will be disbursed in full at closing and begin accruing interest immediately.
  - Rehabilitation projects of \$250,000 or greater will be subject to draw request and disbursement approval.
- Non-recourse execution, with standard “bad acts” carve-outs.
- Operating Reserve, Replacement Reserve and Tax/Insurance Escrow accounts required, to be held by borrower/management company.
- “Step-down” prepayment penalty over term of loan; no yield maintenance riders.
- No prepayment penalty for interest-only loans with no planned Centrant term-out.

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**Fees:**

- \$1,000 application fee
- 1% due at commitment (\$5,000 minimum)
- 1% due at perm loan closing (\$5,000 minimum)
- Borrower responsible for all standard due diligence report expenses, attorney’s fees and other reasonable and customary closing fees

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## Ready to Apply?

Contact **Rocky Herring**, SVP – Credit & Lending, at (984) 344-9996 or [rocky@centrant.org](mailto:rocky@centrant.org).