



## Term Sheet – Threshold Loans

<b>Eligible Loans:</b>	<ul style="list-style-type: none"> <li>• New construction or acquisition/refinance with rehabilitation to finance total development costs of affordable housing projects, without a permanent, formal take-out required</li> </ul>
<b>Eligible Participants:</b>	<ul style="list-style-type: none"> <li>• Loans are available to traditional affordable housing developers or small property owners and developers who may not currently utilize low-income housing tax credits or affordable housing programs.</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>• Smaller apartment communities of up to 49 units within the state of New Mexico</li> </ul>
<b>Restrictions</b>	<ul style="list-style-type: none"> <li>• Rents must be at or below 80% of Area Median Income for the life of the loan</li> </ul>
<b>Maximum Loan Amount:</b>	<ul style="list-style-type: none"> <li>• \$1,500,000, higher amounts at the discretion of the board</li> </ul>
<b>Maximum Loan Term:</b>	<ul style="list-style-type: none"> <li>• Up to 60 months (five years)</li> </ul>
<b>Interest Rate:</b>	<ul style="list-style-type: none"> <li>• 3% - 5% per annum for the first four years</li> <li>• Interest Rate increases by 1.00% in the 5<sup>th</sup> year of the loan</li> </ul>
<b>Loan Fees</b>	<ul style="list-style-type: none"> <li>• 1.00% Origination Fee</li> <li>• \$2,500 application and appraisal fee</li> </ul>
<b>Payment Terms:</b>	<ul style="list-style-type: none"> <li>• Loans may be interest only for up to 1 year.</li> <li>• Monthly principal and interest payments will be made for the balance of the term according to an amortization not to exceed 30 years.</li> </ul>
<b>Loan-to-value ratio: (LTV)</b>	<ul style="list-style-type: none"> <li>• 80% LTV, per an approved appraisal, OR 85% of the identified acquisition and renovation costs, whichever is less.</li> <li>• May consider subordinate lien position</li> </ul>
<b>Other Conditions:</b>	<ul style="list-style-type: none"> <li>• Properties must include energy efficiency improvements.</li> <li>• Properties that include more energy efficiency upgrades and are more affordable are eligible for lower interest rates</li> </ul>
<b>Contact:</b>	<ul style="list-style-type: none"> <li>• Bill Dolan: Loan Officer</li> <li>• Phone: 505-270-5650</li> <li>• Email: <a href="mailto:vwdolan@hotmail.com">vwdolan@hotmail.com</a></li> </ul>

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This term sheet is a guideline and may not have all terms and conditions used in underwriting specific loan requests. Funding off any project is subject to availability of funds.