

IDAHO COMMUNITY REINVESTMENT CORPORATION

LOAN PRODUCT: ICRC offers **permanent**, long-term mortgage loans for the following:

- * Newly constructed multifamily developments.
- * Acquisitions of multifamily developments which involve substantial rehabilitation.
- * Refinancing for existing, affordable multifamily housing subject to market conversion may be considered on an exception basis.

LOAN TERMS:

Loan-to-Value:	75% of appraised market value; On newly constructed projects, cash equity of 10% of hard costs must be verified.
Loan Term:	15, 20, or 30-year
Loan Amortization:	30-year maximum
Debt Service Coverage Ratio:	1.20 to 1 minimum.
Maximum Loan:	No minimum. The maximum loan amount for any single project shall not exceed 10% of the loan pool. An exception may be granted to increase the loan limit for any single project through approval by 2/3 of the ICRC Loan Committee. No more than 20% of the loan pool may be allocated to any individual borrower (cumulative projects).
Interest Rates:	The interest rate shall be a fixed rate, determined by adding a spread of 200 basis points to the current yield on the Seattle Federal Home Loan Bank Intermediate Term Amortizing Advance Rate for terms corresponding to the loan request, 15, 20, or 30 years. Said interest rate shall be adjusted upward to the nearest 1/8th of one percent. However, the interest rate shall not fall below any Interest Rate Floor. (The Floor will be provided by Idaho Housing and Finance Association, <u>Currently 6.250%</u>)
Rate Locks:	Available for a period of up to 6, 12, or 18 months prior to issuance of a Conditional Commitment. Interest Rate Lock cost shall be calculated as follows: 5 basis points added to spread for 6 months; 10 basis points added to spread for 12 months; 15 basis points added to spread for 18 months.
Guarantees:	ICRC loans will generally be non-recourse loans; however, in some instances personal guarantees may be required.
Fees:	
<i>Application Fees:</i>	\$1,500 for all applications. Fees are due at the time of application and are nonrefundable.
<i>Commitment Fees:</i>	1.50% of the loan amount at commitment; \$1,500 minimum.
<i>Extension Fees:</i>	.25% with \$500 minimum plus all out-of-pocket expenses.
Prepayment:	A prepayment fee will be in effect based on the FNMA yield maintenance formula (FNMA Form 4157). If the prepayment is made after the expiration of the yield maintenance period (10 years from date of note) but more than 90 days before the maturity date, the prepayment premium shall be 1% of the unpaid principal balance.
<i>Out-of-Pocket Costs:</i>	Borrower is responsible for all out-of-pocket costs including, but not limited to costs for appraisal inspection, survey, title, legal, credit reports, environmental reviews, soil testing, etc.

ELIGIBLE BORROWERS: Single-asset ownership entities.

AFFORDABILITY: Affordability requirements, governed by a recorded Regulatory Agreement, will remain in effect for the life of the ICRC loan.

Occupancy:

All developments funded by ICRC must, at a minimum, set aside units for low-income households as follows:

- * at least 40% of the units in the development must be occupied by households earning not more than 60% of area median income, OR
- * at least 20% of the units in the development must be occupied by households earning not more than 50% of area median income.

Restricted Rents:

All units designated for low-income households must be rent restricted. Rents (including appropriate utility allowances) may not exceed 30% of the maximum income limitation established for the unit. Rent restrictions are based upon current Low-Income Housing Tax Credit regulations (Section 42 of the Internal Revenue Code).

PRIORITY PROJECTS:

Special Needs Populations:

Priority will be granted to developments in which at least 30% of the units serve the housing and non-housing needs of the following special needs populations:

- * Farm Workers
- * Elderly
- * Single Parent Households
- * Large Families
- * Persons with mental or physical disabilities

Location:

Priority may be granted to developments located in primary service areas of ICRC member banks. ICRC will address affordable housing needs in both rural and urban areas of the state, and will provide a priority in areas of the state with limited or no affordable multifamily housing.

Tenant Selection:

Priority will be given to developments which utilize Affirmative Housing Marketing Plans in tenant selection process.

Affordability Commitment:

Priority will be given to developments which provide for continuing affordability beyond the term of the ICRC loan.

OTHER FUNDING SOURCES: Low-Income Housing Tax Credit and HOME can be utilized in conjunction with ICRC financing.

ICRC

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