

## Non-profit and Public Agency Credit Solutions

To enhance the delivery of affordable housing and community services, we extend short and long term loans for working capital, equipment and real estate (acquisition, construction, bridge, permanent mortgage, refinance for new and rehabilitated facilities). This includes short term and permanent loans to new and expanding entities that provide services to low- to moderate-income individuals and families. Loans are tailored to meet the expansion and capital improvement needs of growing non-profits, redevelopment and housing authorities within local governments.

### Requirement for Community Needs Tracking

- Projects must demonstrate the need and demand for affordable housing, and/or the need and demand for critical or enhanced community or social services. Projects generally should have the support of local constituents and government.
- Periodic reporting is required.

### Project/Borrower Characteristics

- Non-profits and public agencies must demonstrate a history of affordable housing or community service delivery with ongoing federal, state, local or grant resources. Agencies should have a history of successful project initiation, delivery and completion.

### Other Conditions

- Borrower must be a legally organized entity.
- Borrower should demonstrate the financial resources and capacity to carry any projected short-term operating deficit. Borrower must be able to demonstrate and/or provide a minimum of two months debt service reserve.
- Agency must demonstrate a balanced historical and current financial condition and operations. Debt coverage ratio must be adequate to service the debt being extended and any other sources of financing.
- Underwriting based on cash flow from federal, state, local or grant sources, experience and history of the project and/or agency. General community support, impact and the economic contribution of the project to the community will be considered in underwriting.
- Generally, the operating entity must occupy at least 51% of any real estate being financed.

### Loan Amounts

Minimum: \$50,000  
Maximum: \$10,000,000

### Rate Structure

Based on current market conditions and risk analysis

### Maturity Terms

Lines of credit may be extended as short as 12 months on interest only basis and term loans on monthly amortization schedules up to 30 years, with 5 year call provision

### Collateral

1st or 2nd deed of trust and/or the assets being financed

### Origination Fees

1 to 2% depending on transaction size and complexity

### Late Payment Fees

5% to a maximum of \$250 after the 10th day

### Prepayment Penalty

Depends on transaction size and funding source

### Loan-to-Value Guidelines

Based on the assets being financed; up to 100% available based on risk analysis, guarantor strength and overall collateral availability

### Guarantees

For public agencies, local government general or moral obligation and for non-profits, parent organization, if applicable

### Environmental Assessments

Phase I required for real estate secured transactions, Phase 2 may be required based on Phase 1 findings; Housing transactions may require comparable due diligence; remediation required

### Acceptable Equity

Existing balance sheet equity or enhanced real estate equity appreciation based on preliminary appraisal

