



Conduit Lending Term Sheet

Product Description: Tax-exempt loans for the purpose of developing properties that include low or moderate income homes.

Affordability Requirements: Properties must meet one of the following criteria:

- 20% of the units are affordable to households at 50% median income; or
- 40% of the units are affordable to households at 60% median income.

Affordability requirements are required for the term of the RIHousing loan but in no event shall they be less than 30 years.

Loan Fees

Issuer Fee: 1% of Bond Amount

Servicing Fee: A minimum of 25 bps of the outstanding principal amount for the term of the loan; may be higher depending on deal structure and loan size.

Tax Credit Fee: 1% of the 10 year credit amount

Cost of Issuance: The Borrower will be responsible for paying the full cost of issuance for both taxable and tax exempt bonds. Costs may be capitalized in the development budget.

Due Diligence Requirements

Third Party Fees: The Borrower shall be responsible for paying any and all of RIHousing's third-party fees required to complete the due diligence review and close the transaction. Costs may be capitalized in the development budget.

Legal Fees: Borrower will pay Lender's legal fees

Developer Fee:	Must be in conformance with our <i>Developer's Handbook</i>
Appraisal/Market Study:	RIHousing must be named as an intended user of and must approve either or both a market feasibility study and an appraisal.
Environmental Review:	Phase I Site Assessment, performed by a firm acceptable to RIHousing. Phase II reports, asbestos, radon, PCBs and lead surveys as necessary.
Unit Distribution:	Affordable units should be interspersed throughout the development and be largely indistinguishable from the market units.
Unit Sizes:	The number of affordable units per bedroom size should be proportionate to the overall breakdown of units in the development.

This is not an offer to make a loan. This term sheet serves as an outline of this program's underwriting criteria and is for discussion purposes only. For more information, contact Anne Berman, Asst. Director of Development, at (401) 457-1269.

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