



## AHP Pass-Thru Loan Term Sheet

<b>Product Description:</b>	Permanent loan for developments awarded a subsidized advance through the Federal Home Loan Bank's Affordable Housing Program ("AHP").
<b>Purpose:</b>	To increase participation with local banks and assist them with on-going compliance requirements. Member Bank will make the subsidized loan to RIHousing who in turn provides the permanent first mortgage to the development.
<b>Maximum Loan-to-Value:</b>	90 percent (or lower if required by Member Bank)
<b>Debt Service Coverage:</b>	The required debt service coverage ratio for sizing the supportable first mortgage is 1.15 or as required by member bank.
<b>Loan Term:</b>	Consistent with AHP requirements, currently maximum 20-year term with 30-year amortization. Interest shall be computed on the actual number of days elapsed based on a 365-day year
<b>Interest Rate:</b>	Permanent fixed rate based on FHLB rate derived from AHP award, Member Bank spread plus RIHousing spread of 50 basis points
<b>Minimum Loan Amount:</b>	The minimum loan amount under this Pass-Thru program is \$500,000
<b>Underwriting Requirements:</b>	Per standard underwriting requirements as outlined in the RIHousing <i>Developer's Handbook</i> and current Program Bulletin(s).
<b>Origination Fee:</b>	At or before Closing, Borrower shall remit to RIHousing an origination fee equal to 2% of the first \$5,000,000 of permanent mortgage amount and 1% of the balance of the permanent mortgage amount, with a minimum fee of \$20,000.

**Third Party Fees:**

The Borrower will be responsible for paying any and all third party fees required to complete the due diligence review to close and bond the transaction. Costs may be capitalized in the development budget.

**Recourse:**

Loans are non-recourse secured by a first mortgage lien on both land and improvements.

This is not an offer to make a loan. This term sheet shall serve as an outline of this loan program's underwriting criteria and is for discussion purposes only. We are committed to working with Borrower's and their Member Bank to find mutually agreeable terms. For more information, contact Anne Berman, Asst. Director of Development, at (401) 457-1269.

July 2015