# Mercy Loan Fund

## Term Sheet – Community Health Center Loans

| Eligible Borrower: | 501(c)(3) nonprofit organization  
LIMITED partnership or limited liability company with a nonprofit organization as managing general partner or managing member |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligible Project:   | Community Health Center serving low and moderate income populations including:  
Federally Qualified Health Center (FQHC)  
Rural Health Clinic (RHC)  
Hospital-owned safety net clinic  
Health center for special needs population |
| Eligible Purpose:   | Acquisition  
Construction and rehabilitation  
Bridge loans  
Predevelopment [secured] |
| Loan Amount:        | Minimum loan amount of $500,000; maximum of $4 million. Loans outside this range will be considered. |
| Term & Amortization:| Up to 5 years, preferably 3 years. Up to 7 years for New Markets Tax Credit transactions. A limited number of loans may be available for longer term.  
Amortization matching term of loan or longer TBD during underwriting.  
Interest-only period of up to 3 years can be considered. Please call to discuss. |
| Rate:               | Typically 5.5-7% |
| Fees:               | Application fee – $500 due at application, ($1,000 for for-profit entities) credited to origination fee  
Commitment fee – TBD during underwriting and credited to origination fee  
Origination fee – Up to 2.0% of loan  
Prepayment fee – 3% for the first year; none thereafter.  
Legal, filing and other third party fees |
| Security:           | One or more of the following:  
Deed of Trust/Mortgage lien  
Liens against other property of borrower  
Irrevocable letter of credit  
Third party guaranty [from entity other than borrower]  
Pledge of developer fee  
Pledge of restricted account  
Lien on gross revenues |
| Maximum LTV Ratio (based on appraisal): | 90%, prefer 80% (Loans with an LTV >90% can be considered.)  
60% for raw land |
| Debt Coverage Ratio:| Minimum 1.20 |
| Reserve Requirements: | Replacement, operating and debt service reserves analyzed on individual basis |

*The terms outlined above are indicative, but not exhaustive, of the terms and conditions of a loan with MLF.*