

# Mercy Loan Fund

## Term Sheet – Short Term Loans



MERCY LOAN FUND

<b>Eligible Borrower:</b>	<ul style="list-style-type: none"> <li>▪ 501(c)(3) nonprofit organization</li> <li>▪ Mission-driven for-profit organization with a history of affordable housing</li> <li>▪ Consumer-controlled cooperative</li> <li>▪ Public housing authority</li> <li>▪ Limited partnership or limited liability company with a nonprofit organization as managing general partner or managing member</li> </ul>
<b>Eligible Project:</b>	Multi- or single-family properties serving households at 30% to 60% AMI preferred, affordable units not to exceed 80% AMI. Loans for mixed-income properties may be sized in proportion to the number of affordable units. Please call to discuss.
<b>Long Term Affordability:</b>	<ul style="list-style-type: none"> <li>▪ Homeownership properties - prefer 10 years or more</li> <li>▪ Rental properties - prefer 40 years or more</li> </ul>
<b>Eligible Purpose:</b>	<ul style="list-style-type: none"> <li>▪ Acquisition</li> <li>▪ Construction and rehabilitation</li> <li>▪ Infrastructure development (land development)</li> <li>▪ Bridge loans</li> <li>▪ Amortizing short-term gap loans</li> <li>▪ Predevelopment [secured]</li> </ul>
<b>Loan Amount:</b>	Minimum loan amount of \$500,000; maximum of \$4 million Loans outside this range will be considered
<b>Term:</b>	Up to 5 years, preferably 3 years. A limited number of loans may be available for longer term. Please call to discuss.
<b>Rate:</b>	Typically 6-7%
<b>Fees:</b>	<ul style="list-style-type: none"> <li>▪ Application fee - \$500 due at application, credited to origination fee</li> <li>▪ Commitment fee – TBD during underwriting and credited to origination fee</li> <li>▪ Origination fee – Up to 2.0% of loan</li> <li>▪ Legal fees, filing fees</li> </ul>
<b>Security:</b>	<p>One or more of the following:</p> <ul style="list-style-type: none"> <li>▪ First or Subordinate Deed of Trust/Mortgage lien</li> <li>▪ Liens against other property of borrower</li> <li>▪ Irrevocable letter of credit</li> <li>▪ Perfected security interest in investor pay-ins</li> <li>▪ Third party guaranty [from entity other than borrower]</li> <li>▪ Pledge of developer fee</li> <li>▪ Pledge of restricted account</li> </ul>
<b>Maximum LTV Ratio:</b>	<ul style="list-style-type: none"> <li>▪ 90% of “as completed” value for construction/rehab, prefer 80%</li> <li>▪ 80% for all other loans, prefer 70%</li> <li>▪ 60% for raw land</li> </ul>
<b>Debt Coverage Ratio:</b>	Minimum 1.20
<b>Prepayment:</b>	No prepayment penalty
<b>Reserve Requirements:</b>	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.*