

MISSISSIPPI GULF COAST DEVELOPMENT FUND
TERM SHEET
8/2019

Acquisition Loans

Property Type:	Single family and multifamily residential properties which are predominantly occupied by households with income up to 120% of Area Median Income
Eligible Borrowers:	Gap financing - Nonprofit and for profit developers, joint ventures controlled by nonprofits Primary financing – Nonprofit borrowers or joint ventures controlled by nonprofits. For profit developers can also borrow directly, but priority will be given to nonprofit borrowers. No one entity or entities with related principals can borrow more than 500,000 at any one time.
Loan amount:	Gap financing – up to \$500,000 per project Primary financing – up to \$500,000 per project
Term:	Gap financing – 24 months Primary financing – TBD
Amortization:	Interest only - No amortization during term
Interest paid:	Monthly

MISSISSIPPI GULF COAST DEVELOPMENT FUND
TERM SHEET 8/2019

Page 2

Acquisition Loans (continued)

Maximum

Loan to Value:

Gap financing – 100% combined LTV to nonprofits
(Development Fund share no greater than 35% of as is value)
- 95% combined LTV to for profits
(Development Fund share no greater than 30% of as is value)

Primary financing - 95% LTV to nonprofits
- 90% LTV to for profits

Interest rate:

TBD

Security:

Gap financing – Second mortgage position; subordinate to first mortgage lien

Primary financing – First mortgage lien

Recourse:

Full recourse to borrower

Guaranty:

Repayment guarantees from borrower(s) and key principals of for profit borrowers

Prepayment:

Prepayable at any time without penalty.

Fees:

Processing Fee: \$350

Closing Fee: All closing costs and third party fees including title fees, UCC search fees, doc preparation fees, attorney closing fees, recording fees, etc.
(TBD)

Origination Fee: Up to 1% of approved loan balance

MISSISSIPPI GULF COAST DEVELOPMENT FUND
TERM SHEET 8/2019

Page 3

Construction Loans

Property Type: Single family and multifamily residential properties which are predominantly occupied by households with income up to 120% of Area Median Income

Eligible Borrowers: Gap financing - Nonprofit and for profit developers, joint ventures controlled by nonprofits

Primary financing – Nonprofit borrowers or joint ventures controlled by nonprofits. For profit developers can also borrow directly, but priority will be given to nonprofit borrowers.

No one entity or entities with related principals can borrow more than \$500,000 at any one time

Loan amount: Gap financing – up to \$500,000 per project

Primary financing – up to \$500,000 per project

Term: Takeout commitment required

Gap financing – up to 24 months

Primary financing –TBD

Amortization: Interest only - no amortization during term

Interest paid: Monthly

MISSISSIPPI GUFL COAST DEVELOPMENT FUND
TERM SHEET 8/2019

Page 4

Construction Loans (continued)

Maximum Loan to Cost:	Gap financing – 95% combined LTC to nonprofits (Development Fund share no greater than 30% of value) - 90% combined LTC to for profits (Development Fund share no greater than 25% of value)
	Primary financing- 95% LTC to nonprofits - 90% LTC to profits
Debt Service Coverage:	1.20 (rental properties)
Interest rate:	TBD
Security:	Gap financing – Second mortgage position; subordinate to first mortgage lien Primary financing – First mortgage lien
Recourse:	Full recourse to borrower
Guaranty:	Repayment guarantees from borrower(s) and key principals for profit borrowers
Prepayment:	Prepayable at any time without penalty.
Fees:	Processing Fee: \$350 Closing Fee: All closing costs and third party fees including title fees, UCC search fees, doc preparation fees, attorney closing fees, recording fees, etc. (TBD) Origination Fee: Up to 1% of approved loan balance