

Eligible Properties	Market rate, low to moderate income, & subsidized multifamily properties			
Commercial Space	Must not exceed 25% of net rentable area and 15-30% of gross income			
Borrower	For profit/non-profit: single-asset entity and special purpose entity			
Recourse	Non-recourse			
Minimum Capacity for Substantial Rehabilitation	<ol style="list-style-type: none"> 1. The higher of cost improvements more than 15% of post-rehabilitated appraised value or \$15,000 per unit adjusted for local high cost factor 2. replacement of two or more major building components 			
Construction Wages	Under the Davis-Bacon Act local prevailing wages must be paid			
Interest Rate	Fixed for full 40-year term and construction period, locked before closing			
Loan Parameters	Property Type	Acquisition Loan to Value	Minimum Debt Service Ratio	Mortgage Insurance Premium
	Subsidized ¹	90%	1.11x	0.25%
	Affordable ²	87%	1.15x	0.35% or 0.25%
	Market Rate	85%	1.18x	0.65% or 0.25%
	¹ At least 90% of the units covered by a project-based Section 8 contract ² Regulatory Agreement with a minimum set-aside (e.g., 40% of units at 60% AMI or 20% of units at 50% AMI) in effect for at least 15 years after the new loan closes ³ Refinance cost includes satisfaction of existing debt (including penalties), any needed repairs, an initial deposit to capital reserve, due diligence and closing costs.			
Term and Amortization	Interest only during construction and then 40-year amortizing permanent loan			
Payment and Assumption	Negotiable with best pricing for 10 years of call protection and fully assumable			
Escrows	Initial operating deficit, working capital, taxes, insurance, HUD mortgage insurance premium, and replacement reserves			
Loan Amount	No maximum (limited by Loan Parameters)			
HUD Application Fee	0.30% of loan amount is due when submitting the application			
Third Party Reports	Appraisal, Phase I Environmental, and Architectural & Cost Review			
Timeline	Approximately 8-12 months			

This term sheet sets out general guidelines and is designed as an aid to prospective borrowers and other clients. This term sheet does not represent or imply a contract or an offer to lend funds. An offer to lend funds may only be made by a signed written commitment letter to a prospective borrower. This term sheet is subject to change at any time without notice at the sole discretion of Ascenda Capital LLC. Credit and collateral are subject to approval. Terms and conditions apply. This is not a commitment to lend. As a capital provider, Ascenda Capital LLC is not a registered investment adviser and does not otherwise provide investment advice.