

Eligible Properties	Market rate property of any class, cooperatives, & affordable housing			
Commercial Space	Must not exceed 25% of net rentable area and 20% of effective gross income			
Borrower	Single asset entity, either for profit or non-profit			
Recourse	Non-recourse			
Interest Rate	Fixed for term of loan, determined by market conditions at time of rate lock (Rate lock good faith deposit is 1.00% and is refunded at closing)			
Loan Parameters	Property Type	Minimum Debt Service Coverage	Acquisition Loan to Value (LTV)	Max Cash out LTV
	Subsidized ¹	1.11x	90%	80%
	Affordable ²	1.15x	87%	
	Market Rate	1.18x	85%	
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	A maximum term of 35 years, fully amortizing			
Payment and Assumption	Negotiable 10 year step down and is fully assumable			
Escrows	Required for taxes, insurance, HUD mortgage insurance premium, and replacement reserves			
Mortgage Insurance Premium	1% due to HUD at closing and 0.6% annually thereafter, escrowed monthly (0.25%-0.35% for affordable and subsidized properties, 0.25% for Energy Star certified properties)			
HUD Application Fee	0.30% of loan amount is due when submitting the application			
Third Party Reports	Appraisal, Phase I and Physical Needs Assessment			
Timeline	Application is submitted within 40-60 days of engagement, then HUD issues a Firm Commitment within 60 days and closing normally occurs 30-45 days after commitment being issued			

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.