



PRE-DEVELOPMENT LOAN PROGRAM LIQUIDITY LOAN TERM SHEET

Description:	The liquidity loan provides funds to qualified non-profit borrowers and housing authorities who have public subsidies reserved but need additional cash to cover development costs prior to construction loan close.
Acceptable Borrowers:	Non-profit entities that are duly authorized to conduct business in the state of Oregon. NOAH must have, or have had, a lending relationship with the proposed borrower.
Acceptable Property Types:	Improved or unimproved land to be developed for affordable housing.
Minimum Affordability:	Affordability to be guaranteed for the original term of the loan. <ol style="list-style-type: none">1) 51% or more of the units are to be rented to households earning 80% or less of median income as defined by HUD; or2) 40% or more of the units are to be rented to households earning 60% or less of median income as defined by HUD; or3) 20% or more of the units are to be rented to households earning 50% or less of median income as defined by HUD.
Loan Amount:	\$10,000 minimum and \$25,000 maximum.
Maximum LTV:	NA
Minimum Debt Service Coverage Ratio (DCR):	NA
Recourse to Borrower:	Fully recourse to the borrower.
Security:	None.
Interest Rate:	5%
Term:	Not to exceed 12 months
Amortization:	NA
Payments:	Principal and accrued interest due at loan maturity.
Pre-Payment Premium:	None
Fees:	Origination: 1% of the loan amount Document Preparation Fee of \$300 Borrower is responsible for all transaction costs.
Maximum Forward Commitment:	NA

Standard Reserves: NA

Property Management: NA

Required Third Party Reports: NA

General Funding Conditions: Borrower has received a reservation of all public funding required for the project.

Proposed project conforms with current zoning requirements.

Project has no environmental issues that would preclude, or unnecessarily delay, development.

There are no material impediments to development.

Project has a clean title or issues that can be easily resolved.

Evidence of secondary source of re-payment either from Borrower assets or cash flow.

- Underwriting Checklist:**
- 1) Financial Pro forma for pre development funds as well as the future development inclusive of Income and Expense Statement, Statement of Sources and Uses and Project Timeline
 - 2) Sponsor / General Partner financial information
 - a. Borrower Certification
 - b. Financial Statements for the last three fiscal years inclusive of Income and Expense Statement, Balance Sheet and Statement of Cash flows (preferably audited)
 - c. Year-to-date Financial Statement inclusive of Income and Expense Statement and Balance Sheet (dated within last three months)
 - d. Current year budget and projected budget for the next year
 - e. Statement of Contingent Liabilities
 - f. Schedule of Real Estate Owned (Form Attached)
 - 3) Consolidated Funding Cycle Application (if applicable)
 - a. Reservation from Oregon Housing and Community Services

Borrower Reporting Requirements Quarterly Project Status reports detailing actions taken to finalize needed public and private subsidies in addition to other development activities.

NOAH reserves the right to request more frequent reporting or such additional documentation as it deems necessary to adequately monitor project operations.

Please be advised that this term sheet is provided for informational purposes only, does not constitute a commitment or any offer from NOAH and is subject to change at any time. Please contact NOAH for questions related to your request or if you require additional information