Churchill Public Tax Exempt Loan

Construction to Permanent Financing for 4% LIHTC Affordable Housing Properties

Churchill Stateside Group

Providing Experience & Integrity Since 2005

The Churchill Public Tax Exempt Loan (Public-TEL) is a taxable construction/permanent loan (the "Loan") provided by Churchill Stateside Group for 4% Low Income Housing Tax Credit Housing Properties. The Loan will require an allocation and issuance of tax-exempt bonds and will be funded on a "draw-down" basis.

The loan has two distinct phases:

1. **Construction Phase - an initial phase during which funds will be advanced to Bond Issuer and loaned to the Borrower. Payments during the Construction Phase will be interest only. The Public Tax Exempt Loan structure entails two sets of interest paid during the construction phase, on a taxable loan and tax exempt bonds, both of which may be included in and substantially increase eligible basis for the 4% low income housing tax credits.**
2. **Permanent Phase - a subsequent phase when, upon completion of construction and achievement of stabilized operations, the Loan will be paid down to a lower Permanent Phase amount. Payments during the Permanent Phase will be amortized with P & I payments. In some cases, the yields on the Construction Phase and Permanent Phase tax exempt financing may be blended to permit reinvestment earnings on bond collateral during the Construction Phase to be an available source to pay project costs.**

TERMS

Eligible Properties
First mortgage loans for the new construction or substantial rehabilitation of affordable housing communities with tax-exempt bonds.

Qualified Borrower
Single asset, single purpose entity.

Debt Coverage Ratio
1.15x Minimum. DSCR calculations include all subordinate debt with required debt service payments.

Loan To Value
90% Maximum LTV. LTV calculation includes all subordinate debt with required debt service payments.

Guarantee
Full-Recourse during the Construction Phase. Non-Recourse during the Permanent Phase.

Interest Rate
Floating Rate during Construction Phase, converting to Fixed Rate financing during Permanent Phase. Permanent Phase rate locked before Construction Phase loan closing.

Construction Period Term
Up to 30 months; extensions available upon request.

Permanent Period Term
18-year standard term commencing after Construction Phase, longer terms available on a case-by-case basis.

Amortization
Up to 40 years.

Affordability Requirements
All properties must meet minimum LIHTC affordability requirements.

Secondary Financing
Secondary financing is permitted and must be subordinate.

Replacement Reserve
Minimum of $250 PUPA for new construction and $300 PUPA of substantial rehabilitation, held by CSG.

MULTIFAMILY LENDING

RENEWABLE ENERGY

BOND UNDERWRITING

TAX CREDIT SYNDICATION

RESIDENTIAL HEALTHCARE FACILITIES

Conventional, HUD/FHA, USDA RD 538 Lending, Tax Credit Equity, and Investment Capital.
www.CSGfirst.com

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