

Neighborhood BusinessWorks: Selected Lending Products - as of August 4, 2022

Lending Product	Key Features	Amount	Term (1)	Interest Rate at Loan Closing (2)	Collateral Requirements	Maximum Loan to Value	Minimum Debt Service Coverage Ratio	Borrower Equity Requirement	DHCD Fees
NBW-CDA Loans for Businesses									
Commercial Real Estate Opportunity Loan	Construction and construction / permanent financing for commercial and mixed-use projects.	up to \$5,000,000	Up to 30 years; interest only during construction	10 yr - 10 yr Treasury + 5.22% 15 yr - 30 yr Treasury + 5.47% 30 yr - 30 yr Treasury + 5.84%	Priority lien on real estate, fixtures, equipment, other assets; Principal Guaranty(s), 12 month Debt Service Reserve	70%	1.50	10% min.	\$500 application fee Commitment/closing fee: 3.20% of Loan Amount
Commercial Real Estate Stabilization Loan	Acquisition or refinancing of stabilized, performing commercial and mixed-use projects. Equity take-outs permitted in certain circumstances.	up to \$5,000,000	Up to 30 years	10 yr - 10 yr Treasury + 5.22% 15 yr - 30 yr Treasury + 5.47% 30 yr - 30 yr Treasury + 5.84%	Priority lien on real estate, fixtures, equipment, other assets; Principal Guaranty(s), 12 month Debt Service Reserve	75%	1.50	10% min.	\$500 application fee Commitment/closing fee: 3.20% of Loan Amount
Nonprofit Facility Loan	Acquisition, rehabilitation and new construction of facilities for occupancy and/or use by qualified 501-c-3 nonprofit organizations	up to \$3,000,000	Up to 30 years	10 yr - 10 yr Treasury + 5.22% 15 yr - 30 yr Treasury + 5.47% 30 yr - 30 yr Treasury + 5.84%	Priority lien on real estate, fixtures, equipment, other assets; Principal Guaranty(s), 12 month Debt Service Reserve	80%	1.40	5% min.	\$250 application fee Commitment/closing fee: 3.20% of Loan Amount

Notes

- (1) Loan will have 10 - 15 year pre-payment lockout period
- (2) Interest rates are estimates only; final rate based on rate environment at time of loan closing
- (3) *The Department reserves the right to modify or discontinue the lending products described above, without notice, in its sole discretion.*

***** For NBW-CDA loans above \$7 million, contact Underwriter for rate & fee assumption**

Select Underwriting Requirements

- Operating reserve will be sized at the greater of 6 months of operating expenses or 6 months of debt service payments; capitalized interest reserve and reserve for replacement requirements based on project underwriting
- Income trending no higher than 2.0% per annum; expense trending no less than 3.0% per annum
- Higher borrower equity may be required based on borrower financial profile, market conditions and/or project characteristics
- Valuations based on appraisal conducted for benefit of DHCD
- Underwritten vacancy rate and income projections must be supported by appraisal
- Full analysis of borrower financial and operational capacity required

Subordinate Loans (NBW-Classic) available for certain high priority projects and can be combined with NBW-CDA funds; contact Program Staff for more details

All projects assisted must be located in Sustainable Communities or Priority Funding Areas

Subordinate NBW-Classic loans have a \$250 Application fee, 1% Commitment fee and a DHCD Closing fee of \$250.