

**Neighborhood BusinessWorks: Selected Lending Products - as of November 2018**

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
<b>NBW-CDA Loans for Businesses</b>									
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 + 4.25% 15 yr - 30 yr Treasury + 4.38% 30 yr - 30 yr Treasury + 5.50%	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 refinance 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 + 4.25% 15 yr - 30 yr Treasury + 4.38% 30 yr - 30 yr Treasury + 5.50%	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 + 4.25% 15 yr - 30 yr Treasury + 4.38% 30 yr - 30 yr Treasury + 5.50%	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.*

Select Underwriting Requirements

- Operating/debt service reserve, 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