

Texas State Affordable Housing Corporation

Single-Family Lines of Credit – Term Sheet

	Interim Construction and Acquisition (ICAP)	REO Capital
Eligible Activities	Acquisition of development sites, infrastructure, and housing construction or rehabilitation	Acquisition and rehab of foreclosed properties for neighborhood stabilization efforts
Eligible Borrowers	Experienced entities engaged in affordable housing development, including nonprofit or for-profit developers	
Term of Loan	18 months to originate, 24-month total term	18 months to originate, 36-month total term
Interest Rate	4% to 7%, based on collateral and cost of funds	6%
Affordability	TSAHC finances housing developments in which at least 50% of the homes will be sold to households earning 80% or less of the AMFI. All homes and buyers must be eligible for fixed-rate permanent financing.	
Property Types	Developments comprised of 1- to 4-unit homes for sale	1- to 4-unit homes for sale
Loan Size	\$200,000 to \$500,000	\$500,000 to \$2,000,000
Loan-to-Value	Up to 80%	Up to 85%
Equity Contributions	15% in flexible forms	20% of total development costs in cash equity to be escrowed
Collateral	First lien mortgage and title insurance, second lien with federal funds leveraging	First lien mortgage and title insurance
Payment Terms	Repayment due out of net proceeds of sale or refinancing of properties. No prepayment penalties.	
Recourse	Non-recourse	100% recourse – requires guarantee from borrower
Origination Fee	Greater of 1% or \$7,500	Sliding scale based on loan amount
Application Fee	\$500	\$500