

Mercy Loan Fund

Term Sheet – Short Term Loans



MERCY LOAN FUND

Eligible Borrower:	<ul style="list-style-type: none"> ▪ 501(c)(3) nonprofit organization ▪ Mission-driven for-profit organization with a history of affordable housing ▪ Consumer-controlled cooperative ▪ Public housing authority ▪ Limited partnership or limited liability company with a nonprofit organization as managing general partner or managing member
Eligible Project:	Multi- or single-family properties serving households at 30% to 60% AMI preferred, affordable units not to exceed 80% AMI. Loans for mixed-income properties may be sized in proportion to the number of affordable units. Please call to discuss.
Long Term Affordability:	<ul style="list-style-type: none"> ▪ Homeownership properties - prefer 10 years or more ▪ Rental properties - prefer 40 years or more
Eligible Purpose:	<ul style="list-style-type: none"> ▪ Acquisition ▪ Construction and rehabilitation ▪ Infrastructure development (land development) ▪ Bridge loans ▪ Amortizing short-term gap loans ▪ Predevelopment [secured]
Loan Amount:	Minimum loan amount of \$500,000; maximum of \$4 million Loans outside this range will be considered
Term:	Up to 5 years, preferably 3 years. A limited number of loans may be available for longer term. Please call to discuss.
Rate:	Typically 6-7%
Fees:	<ul style="list-style-type: none"> ▪ Application fee - \$500 due at application, credited to origination fee ▪ Commitment fee – TBD during underwriting and credited to origination fee ▪ Origination fee – Up to 2.0% of loan ▪ Legal fees, filing fees
Security:	<p>One or more of the following:</p> <ul style="list-style-type: none"> ▪ First or Subordinate Deed of Trust/Mortgage lien ▪ Liens against other property of borrower ▪ Irrevocable letter of credit ▪ Perfected security interest in investor pay-ins ▪ Third party guaranty [from entity other than borrower] ▪ Pledge of developer fee ▪ Pledge of restricted account
Maximum LTV Ratio:	<ul style="list-style-type: none"> ▪ 90% of “as completed” value for construction/rehab, prefer 80% ▪ 80% for all other loans, prefer 70% ▪ 60% for raw land
Debt Coverage Ratio:	Minimum 1.20
Prepayment:	No prepayment penalty
Reserve Requirements:	Replacement, operating and debt service reserves analyzed on individual basis

The terms outlined above are indicative, but not exhaustive, of the terms and conditions of a loan with MLF.