
NEW YORK CITY DOWN PAYMENT ASSISTANCE FUND TERM SHEET

For loans to Prospective Borrowers

[updated 12.5.18]

This summary Term Sheet is provided for discussion purposes only and does not constitute a commitment to issue securities, to lend or an agreement to issue a commitment on these or any other terms or to arrange any financing and shall not create a binding or legally enforceable obligation of the Down Payment Assistance Fund entity or the stakeholders defined below in any way. The terms contained herein are of a summary nature and are not all-inclusive.

ELIGIBLE BORROWERS:	Single asset, special purpose entities wholly owned by an Eligible Sponsor as defined below, <u>or</u> the Sponsor
ELIGIBLE SPONSORS:	Pre-qualified, nonprofit developers of permanently supportive or mixed affordable and supportive housing projects in New York City.
USE OF PROCEEDS:	100% of the Down Payment in connection with the purchase of vacant properties or vacant buildings to produce new supportive housing residences; mixed supportive/affordable residences; or affordable housing residences serving low incomes with a stipulated minimum set-aside for supportive units.
LOAN AMOUNT:	Down Payments are limited to the lesser of \$1 million and 10% of the contracted purchase price. No more than one Down Payment Loan is permitted per developer until each loan is repaid.
EQUITY REQUIREMENT:	Borrowers must fund all out-of-pocket costs preceding signing of the purchase contract, including the DPAF's closing and legal fees, and the Fund's early due diligence on land values and site environmental conditions.
LOAN MATURITY:	The full principal amount will be due at the earlier of the closing date of an acquisition loan and the maturity date [not to exceed 12 months]. If the acquisition loan is from the New York City Acquisition Fund, the closing of the loan will be subject to a soft take-out commitment from the New York City Department of Housing Preservation and Development (HPD) and/or the New York City Housing Development Corporation (HDC), or other government sources, as applicable.
INTEREST:	The rate of interest to DPAF borrowers is expected to be 3.0% fixed. Interest payments will be deferred, accruing on a monthly basis and payable at loan maturity.
RECOURSE:	100% recourse to the Borrower. If the Borrower is a single-asset entity, the Sponsor will be required to sign a payment guaranty for the full amount of the loan along with accrued interest and expenses.
FEES:	An origination fee equal to the greater of 1.0% of the down payment loan amount and \$5,000 will be payable to the DPAF Originating Lender at the signing of a purchase contract for the subject property. Borrower will also be charged for DPAF closing legal fees.
CONDITIONS:	Down Payment Assistance Loan commitments will be conditioned on: i) availability of capital; ii) underwriting and credit committee approval; and iii) a written soft commitment from the New York City Department of Housing Preservation and Development (HPD).
