

# INVESTING IN COMMUNITIES

## Financial Products - Summary of Terms

The following descriptions outline the financing LISC provides for an array of activities carried out by community development corporations and other community-based partners. LISC's financial products are available to fill gaps at all stages of a project and are provided through our urban and rural programs, and our national programs, nationwide. All financing is provided on a general recourse basis to the borrower and sponsor. If you have questions or need further details about these products please visit <http://www.lisc.org>, click on "Where We Work," and visit the site for the program in your area for information on who to contact.

	Predevelopment	Acquisition	Construction	Mini-Perm	Bridge	Multiple-Project Loans	Working Capital Line of Credit	Guaranty
<b>Purpose</b>	To pay project predevelopment expenses	To pay purchase and closing costs of property acquisition	To pay hard and soft construction costs of new construction or rehab projects	To provide permanent financing to a project	Financing to bridge the timing gap between project or program costs and cash from committed or anticipated sources not yet available	To provide capital for a number of separate projects, generally for predevelopment expenses	To provide flexible capital to meet organizational cash flow needs	To provide additional payment assurance to another lender
<b>Eligible Project Types</b>	Rental housing; for-sale housing; community facilities; community economic development	Rental housing; for-sale housing; community facilities; community economic development	Rental housing; for-sale housing; community facilities; community economic development	Rental housing; community facilities; community economic development	Project-based expenses, including but not limited to capital campaigns, contract or note receivables, earned developer fees, and/or LIHTC capital contributions	Rental housing; for-sale housing; community facilities; community economic development	N/A	Rental housing; community facilities; community economic development
<b>Typical Range</b>	\$100,000 - \$1,000,000	\$100,000 - \$3,000,000	\$100,000 - \$3,000,000	\$100,000 - \$3,000,000	\$100,000 - \$3,000,000	\$100,000 - \$3,000,000	\$100,000 - \$2,000,000	\$100,000 - \$3,000,000
<b>Interest Rate/Payment</b>	<b>4.5% - 6% fixed;</b> payable monthly *rates vary by location, loan size and project type	<b>4.5% - 6% fixed;</b> payable monthly *rates vary by location, loan size and project type	<b>4.5% - 6% fixed;</b> payable monthly *rates vary by location, loan size and project type	<b>4.5% - 6% fixed;</b> payable monthly *rates vary by location, loan size and project type	<b>4.5% - 6% fixed;</b> payable monthly *rates vary by location, loan size and project type	<b>4.5% - 6% fixed;</b> payable monthly *rates vary by location, loan size and project type	<b>4.5% - 6% fixed;</b> payable monthly *rates vary by location, loan size and project type	If called, the reimbursement note will have a rate of 6% fixed; payable monthly
<b>Repayment</b>	In full at construction financing close  *For for-sale housing: scheduled or allocated amount of loan due at construction closing for each unit, pro rata w/ other lenders	In full at construction financing close  *For for-sale housing: scheduled or allocated amount of loan due at construction closing for each unit, pro rata w/ other lenders	In full at permanent financing close  *For for-sale housing: scheduled or allocated amount of loan due at sale or refinancing date of each unit, pro rata w/ other lenders	Principle and interest payable monthly; amortizes on the shortest schedule possible, but can be up to a 15 year schedule if required by project; balloon due at maturity	Repayable incrementally, within five business days of borrower's receipt of each capital source being bridged	Due at construction close for each project that is financed	Repayment events and dates set at time of approval	Guaranty generally released when construction or permanent closing is reached and guaranteed loan is repaid; reimbursement note term set at time of closing (applicable only if guaranty is called)
<b>Maximum Term</b>	2 years	2 years	2 years, based on construction schedule  *For for-sale housing: 3 years	7 years	3 years	3 years	2 years	N/A
<b>Applicable Fees</b>	Closing fee - up to 1.5%; Legal fee varies	Closing fee - up to 1.5%; Legal fee varies	Closing fee - up to 1.5%; Legal fee varies	Closing fee - up to 1.5%; Legal fee varies	Closing fee - up to 1.5%; Legal fee varies	Closing fee - up to 1.5%; Legal fee varies	Closing fee - up to 1.5%; Legal fee varies	Closing fee - up to 3% per annum; Legal fee varies
<b>Collateral</b>	Generally secured; exceptions based on borrower's overall strength and level of certainty of projected take-out financing	Strong preference for real estate collateral	Strong preference for real estate collateral	Strong preference for real estate collateral; minimum debt service coverage ratio of 1.15:1	Generally secured; real estate preferred	Generally secured, but may be up to 20% unsecured based on borrower's overall strength	Varies but could be real estate, assignment of liquid assets, and/or fees or receivables	Collateral varies in extent, nature, and lien priority