

MISSISSIPPI GULF COAST DEVELOPMENT FUND

TERM SHEET

6/22/09

Acquisition Loans

Property Type:	Single family and multifamily residential properties which are predominantly occupied by households with income up to 120% of Area Median Income
Renaissance Guild Endorsements	Prior to underwriting, every loan application must include an endorsement from the Renaissance Builder and Developer Guild
Eligible Borrowers:	Gap financing - Nonprofit and for profit developers, joint ventures controlled by nonprofits Direct lending – Nonprofit borrowers or joint ventures controlled by nonprofits. For profit developers can also borrow directly, but priority will be given to nonprofit borrowers. No one entity or entities with related principals can borrow more than 500,000 at any one time.
Loan amount:	Gap financing – up to \$500,000 per project Direct lending – up to \$250,000 per project
Term:	Gap financing – 24 months with 2 – 6 mo extensions for homeownership Direct lending – Rental: 18 months with 2 possible extensions of 3 months each up to a maximum of 24 months. - Homeownership: 24 months plus 2 possible extensions of 6 months each up to a maximum of 36 months
Amortization:	Interest only - No amortization during term
Interest paid:	Monthly

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Construction Loans

Property Type:	Single family and multifamily residential properties which are predominantly occupied by households with income up to 120% of Area Median Income
Renaissance Guild Endorsements	Prior to underwriting, every loan application must include an endorsement from the Renaissance Builder and Developer Guild
Eligible Borrowers:	Gap financing - Nonprofit and for profit developers, joint ventures controlled by nonprofits Direct lending – Nonprofit borrowers or joint ventures controlled by nonprofits. For profit developers can also borrow directly, but priority will be given to nonprofit borrowers. No one entity or entities with related principals can borrow more than \$500,000 at any one time
Loan amount:	Gap financing – up to \$500,000 per project Direct lending – up to \$500,000 per project
Term:	Takeout commitment required Gap financing – up to 24 months Direct lending – up to 24 months
Amortization:	Interest only - no amortization during term
Interest paid:	Monthly on outstanding loan amount

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Construction Loans (continued)

Maximum

Loan to Value:

Gap financing – 95% combined LTV to nonprofits
(Development Fund share no greater
than 30% of value)
- 90% combined LTV to for profits
(Development Fund share no greater
than 25% of value)

Direct lending - 95% LTV to nonprofits
- 90% LTV to for profits

Debt Service Coverage:

1.10 (rental properties)

Interest rate:

TBD

Security:

Gap financing – Second mortgage position; subordinate to
first mortgage lien

Direct lending – First mortgage lien

Recourse:

Full recourse to borrower

Guaranty:

Repayment guarantees from borrower(s) and key principals
of for profit borrowers

Prepayment:

Prepayable at any time without penalty.

Fees:

Application Fee: \$350
Commitment Fee: 100 bps on full loan amount
Servicing Fee: 50 bps on outstanding loan balance
Inspection Fee: \$75 for each inspection required over
3 plus mileage and consultation fee,
if required, (see attached inspection
policy).
Closing Fee: 50 bps on full loan amount