



MIDLANDS HOUSING TRUST FUND

LOAN POLICIES

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Midlands Housing Trust Fund

1800 Main St.

Columbia, SC 29201

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I. Purpose of this Policy

The policies and procedures outlined in this document provide a framework within which the Midlands Housing Trust Fund (“MHTF”) will operate its lending program directed to affordable housing developers.

This manual is meant to be a working document and a set of guidelines to be used by staff and other participants in MHTF’s lending program. Exceptions or variations from the outlined policies and procedures may be made only with the prior approval of the MHTF Board of Directors. These policies and procedures are designed to be sufficiently flexible to enable the loan program to be responsive to market demands.

These policies will be reviewed at least annually by the Loan Committee to determine whether modifications are necessary or desirable. The Loan Committee shall submit recommendations for amendments to this policy to the Board of Directors. Amendments to this policy shall take effect only upon approval of the MHTF Board of Directors. At a minimum, the Board of Directors will review these policies every three years and will amend specific provisions as appropriate to reflect lending experience and evolving best practices in the CDFI industry.

II. Mission and Purpose of Financing

The MHTF was established in fall 2010 as a South Carolina non-profit. The mission of MHTF is to create and preserve the stock of affordable housing in the Central Midlands region of South Carolina through financing and technical assistance of affordable housing projects. MHTF focuses on projects serving low to moderate income households who struggle to secure housing including people who work at low wage jobs, people with disabilities and other special needs. The MHTF will serve households at or below 80% of area median income. The MHTF includes funding activities such as financing acquisition, preservation of existing affordable housing, construction and creation of new affordable housing, rehabilitation, conversion of market rate units to affordable housing, land banking, and project based rental assistance. Funding may be provided to projects in the form of secured or unsecured loans.

III. Organizational Policies

A. Conflict of Interest

No member of MHTF’s Board of Directors or its staff having any interest directly or indirectly that would conflict in any manner or degree with the performance of required services shall participate in any deliberations or voting on financing applications in which they have such an interest.

B. Confidentiality

All staff, Loan Committee, and Board members acknowledge that all information collected from or on behalf of Applicants and Borrowers, including analysis done based on such information, is private and confidential. They also acknowledge that this information should only be disclosed for the purpose of carrying out the provisions of this policy to members of the Loan Staff, Loan Committee or Board of Directors, select funding sources and investors from whom MHTF has received loan capital.

Information from an Applicant or Borrower’s file or about an Applicant or Borrower is not discussed, disseminated, distributed, or in any way released to an outside entity (other than those listed above) without the express written consent of the Applicant or Borrower authorizing its release. Violation of any part of this policy will result in disciplinary action by the Board and potential dismissal from the held position.

C. Nondiscrimination

MHTF shall not discriminate unlawfully on the basis of race, color, religion, gender or sexual preference, national origin, age, handicap or familial status or support directly or indirectly any individual or organization that does. MHTF requires all financing recipients to comply with the federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968, and any similar state laws or municipal ordinances. MHTF is an “equal housing opportunity” lender. MHTF reserves the right to give preferences to developments for specific purposes or within specific geographic boundaries in compliance with restrictions in applicable federal, state, local or foundation grants that provide funding to benefit specific residential populations.

IV. Applicant Eligibility

	Multi-Family Rentals	Single-Family Homeownership
BORROWER	Nonprofits, for-profits, government entities; individuals and LLC’s developing eligible properties.	
ELIGIBLE PROPERTIES AND USE OF PROCEEDS	Predevelopment, acquisition, construction, project and tenant-based rental assistance, rehabilitation and permanent financing. MHTF may finance up to 25% of total project costs.	
AFFORDABILITY REQUIREMENTS	Households at 80% and below of Area Median Income. May include mixed-income (affordable & market rate) developments in which MHTF financing is only provided for units at 80% and below of Area Median Income.	
SECURITY	Must be secured with a note and mortgage, willing to subordinate depending on development feasibility, covenant of completion.	
LOAN-TO-VALUE	Up to 100%, depending on development feasibility	
TAKE-OUT	Construction or Permanent financing commitment required	Pre-sale commitments and mortgage financing commitments for 25% to 100% of for-sale units ¹
DEBT SERVICE COVERAGE	Minimum of 1.20 with a pre-funded operating reserve on permanent loans	Not applicable

¹ Minimum pre-sale requirement to be determined based on the following factors:

- Developer’s years of track record, with the greatest weight given to over ten years successful sales of single family homes
- Developer’s established relationship with first-mortgage lenders
- Developer either provides first-time homebuyer training and qualifies borrowers or has a well-established relationship with a feeder organization that provides these services

- Due diligence of developer’s pipeline and actual trend in pre-sale qualifications resulting in a completed purchase

No Interest Forgivable Loans and Zero Interest Rate Loans

LOAN AMOUNTS	<u>Minimum</u> loan amount of \$5,000 <u>Maximum</u> loan amount of \$75,000 (Unless otherwise determine by the Loan Committee with Board approval).
PURPOSE	Forgivable no interest and zero interest loans may be extended in lieu of an interest bearing loan for purposes including: technical assistance, capacity building, development soft costs, acquisition, rehabilitation, permanent financing, gap financing and infrastructure. Projects should serve households up to 80% area median income. MHTF will not accept requests for the following purposes: <ul style="list-style-type: none"> • Loans to individuals; • Lobbying or political purposes; • Debt reduction on existing projects; • Fundraising projects, special events, or membership drives; • Endowment funds.
MAXIMUM TERM	Maximum loan term up to 20 years.
RE-PAYMENT	For Forgivable loans principal will be either forgiven over the defined affordability period or balloon of principal and pro rata share of equity due upon sale. For Zero Interest loans principal will be re-paid either through monthly payments and/or a balloon payment due at sale or maturity, whichever comes first.
DISTRIBUTION	Funding will be provided either on a reimbursable basis upon receipt of documentation including proof of vendor payment and work product or in the instance of a pre-development and/or bridge loan funds will be provided up front and repaid based on loan term agreement.
SECURITY ASSURANCES THAT MAY BE REQUIRED	Appraisal, environmental assessment, title insurance, liability and flood plain insurance, certificate of occupancy and inspection may be required prior to execution of loan agreement.
REPORTING	Borrower must submit a quarterly report of loan expenditures due the tenth business day of the month following the end of the quarter. A final report is due the tenth business of the month following the end of the loan period.

V. Loan Products - Terms and Conditions

	BRIDGE LOAN	GAP LOAN	PERMANENT LOAN
MAXIMUM TERM	Up to 12 months	Up to 24 months	Up to 240 months

ELIGIBLE BORROWERS	Nonprofit, for-profits, and government entities, individuals, and LLC's developing eligible properties.	
ELIGIBLE ACTIVITIES	Predevelopment, acquisition, rehab, construction, and permanent	
AFFORDABILITY REQUIREMENTS	At or below 80% of Area Median Income.	
SECURITY	Must be secured by a note and mortgage or other collateral deemed appropriate by the loan committee, willing to subordinate depending on development feasibility	
TAKEOUT FINANCING	Construction or Permanent financing commitment required.	
DEBT SERVICE COVERAGE	Minimum of 1.20, with a pre-funded operating reserve on permanent loans.	
LOAN AMOUNTS	<ul style="list-style-type: none"> • <u>Minimum</u> loan amount of \$10,000 • <u>Maximum</u> loan amount equal to the greater of \$75,000 or 50% of total loan capital, or as otherwise approved by the Board 	
INCENTIVES	Interest rate discounts: <ul style="list-style-type: none"> • Up to 0.5% for developments at 50% of area median income and below • Up to 1% for developments at 30% of area median income and below • Up to 0.5% for developments that are certified green by LEEDS, Earth craft, Green Communities, or NAHB 	
PAYMENT	Bridge and Gap Loans: Interest-only through construction; principal due in full upon construction completion. Financing may cover prefunded interest reserve	Permanent Loans: Equal monthly payments of principal and interest. ¹
APPLICATION FEE	Up to \$250 non-refundable fee, can be waived at Board's discretion.	
ORIGINATION FEE	<u>Affordability Percentage of Project</u> 51% up to 100% of the units in the project are affordable 26% up to 50% of the units in the project are affordable Up to 25% of the units in the project are affordable	<u>Loan Origination Fee</u> up to 1.5% up to 2.0% up to 2.5%
LATE FEE	5% of the amount past due after 10-day grace period.	
RETURNED CHECK FEE	An amount equal to fees charged to MHTF for each returned check or \$35.00 whichever is greater. The Executive Director may waive this fee in unusual circumstances.	
SECURITY ASSURANCES	Appraisal, environmental assessment, title insurance, liability and flood plain insurance, certificate of occupancy, and inspection.	
CLOSING COSTS	The borrower is responsible for the expense of document preparation and closing costs	
INTEREST RATE(S)	Determined by the Board. Vary according to source(s) and cost of available funds.	

¹ Permanent Loans may also be Construction/Permanent loans where interest only is charged during construction and the loan is then converted to a Permanent Loan with Principal & Interest (if any) paid monthly for a term not to exceed 240 months unless otherwise approved by the Board.

Other loan products may, from time to time, be developed and added to this Loan Policy following approval of the Board of Directors.

VI. Portfolio Diversification

- Single Borrower Limit: The total loan principal outstanding to any one borrower at a given time shall be limited to the greater of \$250,000 or 15% of total loan capital (consisting of all capital borrowed from third parties plus net MHTF loan capital assets dedicated or restricted for lending and excluding all MHTF set-asides for affordable housing subsidies).
- Subordinated Lending: MHTF shall strive to maintain at least 80% of total loans outstanding and committed for affordable housing developments that would otherwise not be feasible without a subordinate loan from MHTF.

VII. Loan Staff and Loan Committee

A. Loan Staff

MHTF's Loan Staff is responsible for implementing the lending components of the mission outlined in MHTF's statement of purpose, articles of incorporation, by-laws and this policy, at the direction of the Board of Directors. Specific responsibilities include: analyzing and recommending loans to the Loan Committee and the Board of Directors, executing loan commitments, review of reports, monitoring portfolio risk, collecting repayments and managing defaults and foreclosures.

The Loan Staff executes the responsibilities outlined above by separating duties into six functional areas: Program Director, Loan Officer, Portfolio Manager, Construction Manager, Finance Manager and Executive Director. One or more of these roles may be assigned to an individual staff member depending on their skills and experience; alternatively, multiple staff members may be needed to manage a single area based on the number of loans in the pipeline or portfolio.

B. Loan Committee

The Loan Committee is a standing committee of the MHTF Board of Directors that meets regularly to provide oversight to staff and to carry out responsibilities as outlined below. Actions of the Loan Committee are reported at the Board's regular meetings.

Composition

The Loan Committee is comprised of no fewer than five members. Members are nominated and approved by the Board of Directors. At least two members must be members of the Board of Directors. The remainder may be comprised of non-board, advisory members with full voting rights on the Loan Committee.

Members of the Loan Committee have, as a group, the following qualifications:

1. Experience in affordable housing development or community lending in the Target Market;
2. Ability to represent the Target Market based on professional experience, community involvement or as a resident of the Target Market;
3. Lending, legal, accounting, industry or other applicable expertise;
4. Loan portfolio operation and/or management experience, preferably in a community development environment.

The following are ineligible for membership on the Loan Committee:

1. Elected officials of jurisdictions that provide operating funds or loan capital to MHTF.
2. Individuals working under contract with MHTF.
3. Current borrowers of MHTF or who are employed at an organization receiving a loan from MHTF, or who have submitted a loan application that is still under consideration by MHTF.

Regulations

1. Meetings of the Loan Committee are confidential and shall be held at least four (4) times per year or more frequently as needed. Meetings may be conducted in person, by email or by teleconference.
2. Terms of Loan Committee members are limited to three years, but members may serve up to three consecutive terms.

3. The MHTF Board shall appoint a Loan Committee Chair from its membership.
4. Members acknowledge that all information collected from or on behalf of the Borrower is private and confidential and should not be disclosed to anyone who is not a member of the Loan Staff, Loan Committee, Board of Directors or a Consultant. Information may be used only for the purpose of performing responsibilities outlined in this policy.
5. No member of MHTF's Loan Committee may recommend or participate in the approval or collections of any loan to a related party or any other area of potential conflict.
6. The Board of Directors, at its discretion, may remove a Loan Committee member. Decisions to remove a committee member require 2/3 majority. Reasons for removal include, but are not limited to, a) activity that is deemed to be against the interest of the organization, b) disclosure of confidential MHTF, loan applicant or borrower information, c) absence without excuse for two consecutive meetings, or d) absence from 50% or more of the committee meetings during any calendar year.

Voting

1. A quorum exists when a majority (51%) of members is present.
2. Committee loan and portfolio decisions are made by simple majority.
3. Voting on a loan that has been presented to the Loan Committee can take place by email or conference call, with the Loan Committee Chair's signature on the Approval and faxed to the MHTF office.
4. Members located 20 or more miles from the meeting location may attend by conference call; all other members attend meetings in person.

Responsibilities

1. Critically assess and analyze Credit Memos.
2. Approve or deny loans recommended by the Staff, including interest rates charged.
3. Annually recommend interest rates by loan product to the Board of Directors.
4. Approve loan rating assignments.
5. Review and assess quarterly portfolio reports provided by Staff, including portfolio risk and the sufficiency of Loan Loss Reserves.
6. Review delinquent loan status and recommend foreclosure and collection actions to the Board of Directors.
7. Monitor asset-liability matching in accordance with this Loan Policy and the Loan Loss Reserves as specified in Section XI of these policies.
8. Provide overall guidance for MHTF's loan program and submit to Board of Directors, for final approval, any recommended amendments to the loan policy.
9. Execute other special projects assigned by the Board of Directors.
10. The Loan Committee will assess all Affordable Housing Subsidy applications.

VIII. Loan Underwriting

A. Application Package

Prospective borrowers are given the application attached as Exhibit A. MHTF requires a completed Application and receipt of other required application materials in order for an application to be deemed complete. Additional information may be required prior to or during underwriting.

B. Initial Screening

Upon receipt of a complete application, the Loan Officer will check that the loan requested is consistent with: (1) the loan products currently offered by the MHTF; (2) Loan Eligibility Requirements; (3) Portfolio Diversification restrictions; and (4) funding availability for the proposed loan. If the application does not meet these requirements, the Loan Officer will advise the loan applicant of the application deficiencies and possible changes (including requesting additional documents or materials) that could make the loan acceptable upon re-application. If the applicant fails to remit documents or materials requested by the Loan Officer within 90 days of the date of the initial application, the Loan Officer will send a denial letter to the applicant stating that the loan has been denied without prejudice, accompanied by all original documents (other than the application) received to date. MHTF keeps copies of all documents and the Application Fee.

C. Due Diligence and Structuring

The Loan Officer will conduct a complete and thorough due diligence of the proposed loan including: (1) Review of the appraisal, any required environmental assessment, preliminary title reports, development pro formas, cash-flow projections (including assumptions to projections) and developer market studies; (2) Conduct a site visit; (3) Confirm the terms of any additional financing; and (4) Structure loan payments to facilitate the borrower's repayment ability in compliance with these policies.

The due diligence process is finalized when the Loan Officer has 1) obtained and analyzed all the information required for the Credit Memo and 2) proposed a Loan Rating and Loan Loss Reserve in accordance with Exhibit C.

D. Credit Memorandum

For each loan request, the Loan Officer prepares a Credit Memo based on the template attached as Exhibit B. The Credit Memo contains a summarized analysis of all relevant risks, risk mitigation assumptions ascertained by Lending Staff during the due diligence process and the proposed Risk Rating assignment, as described below. The Construction Manager reviews and approves the reasonableness and adequacy of construction cost estimates, schedule and contingencies. Loan Officer and Executive Director are responsible for confirming that all facts presented in the Credit Memo are true and complete and based on all the available data. The Credit Memo also includes a list of conditions that must be satisfied prior to closing.

E. Risk Rating and Loan Loss Reserve Allocation

Based on the Risk Rating Policy detailed in Exhibit C, prior to recommending the loan to the Loan Committee, the Loan Officer will assign a Loan Rating that reflects the risk of the loan in comparison to the loans in the existing portfolio. The Loan Rating is the basis for the Loan Loss Reserve amount allocated to the loan upon closing. Each loan in the loan portfolio will be reassessed for the adequacy of the Loan Loss Reserve upon receipt of required borrower reports.

Using the Loan Rating System in Exhibit C, the Loan Officer includes in the Credit Memo a Loan Rating that reflects the risk of the loan in comparison to the loans in the existing portfolio. The Loan Rating is the basis for the loan loss reserve amount assigned to the loan at closing. MHTF only approves loans that have Risk Rating Categories of I, II and III. Risk Rating Categories of IV and V are reserved for deterioration after loan closing.

IX. No interest forgivable and zero interest loans

Application processes and underwriting will follow the same guidelines as all other MHTF loans programs.

X. Loan Approval

A. Staff Recommendation

The Loan Officer and/or the Executive Director recommends the loan by signing and submitting a draft Credit Memo to the Executive Director for review and comment. The Loan Officer and Executive Director may work together to make changes to the structure of the loan, the risk profile of the loan and/or the Credit Memo if he/she decides to recommend the loan to the Loan Committee. In the absence of a staff loan officer the Executive Director serves the functions of the Loan Officer herein defined.

The Loan Officer schedules the loan for review at the next meeting of the Loan Committee and distributes the Credit Memo to committee members at least five (5) business days before the meeting.

B. Lending Authority

Loan Amount	Approval Required
Up to \$50,000, so long as no exceptions to these lending policies are requested	Lending Staff with Executive Director's signature, Loan Committee approval, with quarterly reports of loans approved to the Board of Directors
Over \$50,001 and all loan requests which require an exception to these lending policies	Board of Directors

C. Approval

Following the loan approval, the Loan Committee Chairman signs and dates the signature page attached to the Credit Memo, making note of any additional terms or conditions imposed by the approving body (the "Loan Approval").

A loan request may be declined for any or all of the following reasons:

- The loan does not fit within MHTF's mission
- The risk of repayment is unacceptable
- The portfolio would be materially out of compliance with established diversification requirements
- Insufficient information
- The loan requires exceptions to this Loan Policy that would unacceptably increase the risk of nonpayment

- Funding for the loan is not available. In this case, the Applicant is informed that the approval is deferred until funding is available. If funding is delayed for six months or longer, Loan Staff will re-underwrite the request and re-submit to the Executive Director and Loan Committee for approval.

Once the required signatures are obtained on the signature sheet, the Credit Memo becomes the “Loan Approval”. MHTF Staff copies and files the original Loan Approval in the borrower’s closing file.

If the Loan Committee determines that the loan should not be approved, the Loan Officer sends the Applicant a letter stating the reason(s) for the denial. In most cases, the Loan Officer includes suggestions to make a future application stronger and refers the borrower to the Program Director if additional technical assistance is deemed desirable. In these cases, the Application Fee will not be refunded but can be applied to one future re-application, if the Applicant re-applies within six months of the date of the letter.

D. Exceptions may be made to these approval policies on the recommendation of the Loan Committee and the Executive Director, subject to final approval by the MHTF Board of Directors

XI. Loan Closing

A. Commitment Letter (loans)

MHTF uses a commitment letter to summarize the terms and conditions of the Loan Approval for the borrower. The Commitment Letter obligates MHTF to disburse the loan should the Applicant satisfy its obligations, including pre-closing conditions, outlined therein. Upon obtaining a Loan Approval, the Loan Officer drafts a Commitment Letter based on a template approved by legal counsel and submits the Commitment Letter for approval by the Executive Director. The borrower has 10 days to sign and return the original commitment letter.

The loan must close within a prescribed period, usually forty-five (45) days from the date of the commitment letter. If the loan does not close within the prescribed period,

- 1. MHTF has the right to withdraw the commitment or**
- 2. MHTF may renew the commitment for a specified period of time if MHTF approves of the reason(s) for the delay.**
 - a. Loan Extension Fee:** If the loan commitment is extended, MHTF will charge a loan extension fee based on the aggregate cost of its borrowed funds. This fee will be for the period from the original closing date in the commitment letter to the proposed new closing date.
 - b. Fee is Non-Refundable:** If the loan closes before the new closing date there is no refund of this extension fee.
 - c. Subsequent Delay:** If the loan does not close by the new date MHTF has the right to withdraw the commitment or renew the commitment for a specified period of time if MHTF approves of the reason(s) for the delay.

- d. **Subsequent Loan Extension Fee:** The second or any subsequent extension of the closing date will have a loan extension fee of double the MHTF aggregate cost of its borrowed funds.

Changes that would cause the terms of the Commitment Letter to materially deviate from those of the Loan Approval require approval by the original approving parties. This approval can be noted by hand on the Loan Approval or explained in an addendum to the Loan Approval.

The Executive Director has authority to sign the Commitment Letter on behalf of MHTF and does so only after confirming that the terms and conditions of the Commitment Letter and Loan Approval are consistent, in all material respects. The Applicant and any guarantors sign the Commitment Letter on behalf of the Applicant.

B. Loan Documentation

The Loan Officer and/or MHTF's legal counsel prepares draft Loan Documents based on templates maintained by MHTF that reflect the terms and conditions contained in the Commitment Letter, this Loan Policy and other terms that are customary for lending in the geographical area. The Loan Officer obtains proof of property insurance, with MHTF listed as loss payee to the extent of its interest, title insurance, and flood insurance (if applicable). All insurance binders are in-hand prior to closing.

The Executive Director has authority to sign the Loan Documents on behalf of MHTF and does so only after confirming that the terms and conditions outlined in the Loan Documents and Loan Approval are consistent in all material respects. The Executive Director or the Loan Officer will prepare the Lender's Instructions for the escrow company handling recording and closing of the loan. The Lender's Instructions shall have all conditions required by MHTF for escrow to close.

The Loan Officer works with the borrower and the escrow company to schedule a Closing Date by which all conditions to closing will be satisfied. The Loan Officer is responsible for ensuring that liens are recorded so that MHTF's security interest is perfected.

C. Loan Disbursement

At least five business days prior to the closing, the Loan Officer submits a Check Request containing the information outlined in Exhibit D attached to a copy of the Loan Approval. The Finance Manager prepares a check for the disbursement amount in time for the scheduled closing. Someone other than the Loan Officer must sign loan disbursement checks.

For construction loans, the borrower submits an AIA form signed by the proper authorities along with inspection reports from a third party which show work has been successfully completed and inspected. If the project does not have an architect to sign off and submit an AIA for disbursement of MHTF funds, then the Lending Director will make note of this during the application review process and let the borrower know that all work must be inspected by an independent certified architect at the borrower's expense before any disbursement. The Construction Manager will conduct a site visit prior to approving draws on a construction loan to make sure work has been completed as stated on the AIA.

Prior to the closing date, the Loan Officer meets with Borrower to discuss the documentation, and to be sure all conditions are set for close of escrow. Should the applicant plan to bring legal counsel to the closing, the Loan Officer may, with Board approval, arrange to be represented by MHTF's legal counsel.

The Loan Officer postpones the closing date if pre-closing conditions do not look as if they will be satisfied prior to the closing date.

On the closing date, the Finance Manager books the loan and posts the loan loss reserve amount indicated on the Check Request Form. When there are multiple disbursements from a loan closing, the Finance Manager records the amount and reason for disbursement on a Master Disbursement Chart that is kept in the Borrower's file and updated with each new disbursement.

After the loan is closed, the originating Loan Officer becomes responsible for monitoring performance of the loan, underwriting additional loan requests from the borrower, and collecting payments on the loan.

XII. Loan Loss Reserves

Prior to recommending a loan to the Executive Director, the Loan Officer recommends a Loan Risk Rating that reflects relative risk in comparison to the loans in the existing portfolio. The Loan Risk Rating is the basis for the Loan Loss Reserve associated with the loan upon closing. After closing, the Risk Rating is updated to reflect the results of monitoring efforts and delinquency status.

MHTF will maintain a reserve for loan losses for loans made from its permanent loan capital in accordance with Financial Accounting Standards Board (FASB) standards and the Risk Rating Policy included as Exhibit C. The loan loss reserve policy will not apply in the event MHTF should act as a Pass-Through vehicle for grants that do not have to be repaid by the borrower. The Loan Loss Reserve on MHTF's balance sheet is a contra-account to the Notes Receivable asset that is equal to or greater than the aggregate of the Loan Loss Reserves assigned to each loan in the portfolio. The Loan Loss Reserve is re-assessed upon receipt of required reports from the borrower. Any increase to the contra-asset account is accompanied with a Loan Loss Expense (or Provision for Loan Losses) entry on the income statement. The Finance Manager will post changes in the Loan Loss Reserve as directed by the Portfolio Manager, and approved by the Executive Director, accompanied by the appropriate loan loss expense.

If no payment has been received on a loan for 120 days, MHTF will direct the Finance Manager to write-off that portion of the outstanding loan deemed uncollectible at that time. This write-off will be charged against the Loan Loss Reserve Account.

XIII. Loan Monitoring

A. Documents and Files

Loan Files are maintained in MHTF's office in a fire-proof cabinet. For each loan closed, the originating Loan Officer sets up and, together with the Portfolio Manager, maintains a file containing the following:

The Loan File:

- a. Borrower's application and supporting materials
- b. Research and analysis upon which Credit Memo was based
- c. Original copy of Loan Approval
- d. Executed Commitment Letter and Loan Documentation, including security agreements

- e. Proof of insurance naming MHTF as loss payee, in an amount equal to the value of the security for casualty and hazard insurance; proof of borrower's commercial liability insurance in a form and amount satisfactory to MHTF
- f. Any amendments or other legal agreements between MHTF and the Borrower

The Post-Closing File:

- a. Quarterly financial statements from borrower, including audited financial statements where applicable
- b. Quarterly updates of development pro formas and development timetables
- c. Annual tax returns and audited financial statements where applicable
- d. Annual proof of insurance (as described above)
- e. Master disbursement schedule, if applicable
- f. Correspondence with Borrower and log of discussions between MHTF and Borrower, including site visit notes, as applicable
- g. Payment History

If the underwriting or subsequent portfolio monitoring for a specific loan should indicate increased lending risks (a start-up entity, substantial expansion or other factors are present which indicate increased lending risk), the Loan Officer may recommend increasing required borrower reports to a monthly basis for borrower financial statements and updated development pro formas and development timetables.

B. Borrower Payments

The Portfolio Manager is responsible for 1) confirming whether all payments have been received, 2) recording payments in the loan software and 3) producing loan receivable aging reports. All payments received from borrowers shall be applied first to satisfy any outstanding fees, second to accrued interest, and finally to reduce loan principal. Any discrepancies from amounts due are reported to the Executive Director.

C. Periodic Disclosures

The Loan Officer is responsible for confirming the receipt of applicable periodic disclosures (financial statements, updated development pro formas and timetables, confirmation of insurance, or impact reports) required under the Loan Documents. If disclosures are not received when due, the Loan Officer will contact the Borrower to apprise the Borrower of the requirements under the Loan Documents. Failure to respond on the part of the Borrower constitutes a technical default under the Loan Documents.

Upon receipt, the Loan Officer will review all periodic disclosures to ensure that the Borrower's reporting requirements have been satisfied. The Loan Officer reviews all disclosures from Borrowers to determine whether the financial condition of the Borrower, status of the affordable housing development, or security for the loan has improved or deteriorated since the loan Risk Rating was last reviewed. The Loan Officer reports any material changes to the Portfolio Manager and the Executive Director.

D. Monitoring Responsibility

The Executive Director is responsible for ensuring that Loan Loss Reserves are updated to reflect the current risk profile of each loan in the portfolio in accordance with the Risk Rating System and Loan Loss Reserves described above.

The Executive Director together with the Loan Officer will review the status of each Borrower upon receipt of the borrower's required reports and report any changes in the risk profile of the loan to the Loan Committee and to the Board. An annual review may include annual site visits to assess the physical condition of loan collateral, and maintenance of insurance.

E. Loan Activity Report

At all times, the Portfolio Manager will maintain a list of the loans outstanding showing the name of the borrower, the location of the affordable housing development, original amount of the loan, the disbursement date(s), the interest rate, the outstanding balance of the loan, any disbursements to be made in the future under the existing Loan Documents, the delinquency status, the Risk Rating, and the Loan Loss Reserve (in % and dollar amount) and social impact information such as housing units created or maintained, household income of borrower, jobs created, etc. (the "Loan Activity Report"). The Loan Report will also show other amounts that are due from borrowers including late and/or return check fees.

F. Paid Loans

When a loan is paid in full, the Financial Manager sends the Promissory Note and the Mortgage stamped "PAID IN FULL" back to the borrower and releases all liens on collateral within two weeks of the final loan payment clearing the bank. MHTF retains copies of each document in a fireproof locked cabinet for five years.

XIV. Loan Portfolio Management

The Portfolio Manager is responsible for tracking and reporting to the Executive Director, the Loan Committee and the Board the performance of the portfolio in accordance with these policies.

A. Assessment of Sufficiency of Loan Loss Reserve

At least quarterly, the Portfolio Manager determines the necessary change, if any, to the Loan Loss Reserve to accommodate any changes in the risk profile of the portfolio that are identified by the Loan Officer's periodic portfolio reviews.

The Portfolio Manager will recommend changes in the Loan Loss Reserve to the Executive Director and will request the Finance Manager to post changes in the Loan Loss Reserve, accompanied by the appropriate loan loss expense to the income statement.

B. Portfolio Status Reporting

At least quarterly, the Portfolio Manager will present to the Loan Committee and to the Board:

1. The Loan Activity Report (defined in Section XII, above)

2. **The Portfolio Report**
A report showing historical total loans and current loans outstanding, current commitments, capital available, total Loan Loss Reserve, YTD loan commitments (number and dollar amount), income and fees, and loan portfolio diversification. The Portfolio Report also includes aged receivables of loans (15, 30, 60, 90+ days delinquent, w/lien position), loans in workout, collection or foreclosure.
3. **Recommended Changes to loan loss reserves**

C. Capitalization Reporting

At each Board and Loan Committee meeting, the Executive Director presents to the Board a Capitalization Report listing total capital available for lending, including equity capital and debt capital received within the last calendar quarter, total loan portfolio principal outstanding and commitments, plans for capital to be obtained over the next 12 months, total loans outstanding, projected loan activity for next 12 month period, current and projected equity capital ratio and deployment ratio (the "Capitalization Report").

D. Loan Equity Capital

MHTF maintains a net asset balance (i.e., equity capital) of total loan capital of at least 40% of the sum of all borrowed funds plus net assets dedicated or restricted to lending. By limiting borrowed loan capital to 60% or less of total loan capital, MHTF will maintain a loan equity capital ratio of at least 45%. This minimum equity capital ratio will protect MHTF against risk of loss, as well as preserve MHTF's ability to raise loan capital through borrowed funds.

E. Loan Capital Investment Guidelines

All uncommitted loan capital shall be invested in interest-earning accounts in accordance with MHTF's Investment Policy. The Finance Officer will seek the highest interest-bearing bank accounts he/she can find while preserving sufficient liquidity to meet funding requirements over the next twelve months (refer to Asset-Liability matching below).

F. Liquidity Reserves

MHTF maintains two separate loan capital cash reserves:

- MHTF maintains a Borrower Reserve in the amount of 10% of the gross loans outstanding. This reserve shall be used for loan restructuring, refinancing existing loans and other loan-fund related cash requirements.
- MHTF maintains an Investor Liquidity Reserve of either 10% of total borrowed capital or in the amount of six (6) months of anticipated repayments of borrowed loan capital, whichever is greater.

G. Asset-Liability Matching

MHTF does not lend funds at maturities in excess of the terms of its borrowed loan capital. MHTF shall always match the terms of investor notes and borrower loans to provide at least a six-month liquidity

difference between investment note maturities and borrower loan repayments. That is, borrower loan repayments totaling an amount equal to investment note maturities shall precede investment note maturities by at least six months. MHTF will coordinate the maturities of investor notes and loans to borrowers in this manner in order that timely repayment of borrowers' loans would ensure timely repayment of investor notes. This coordination shall be based upon a conservative loan capital cash flow projection that incorporates only loan capital in hand and written investment commitments. MHTF will update the cash flow projection as necessary to reflect the probability of timely repayment by borrowers, including the potential nonpayment of delinquent or nonperforming loans in the MHTF portfolio.

XV. Delinquency

It is MHTF's policy to maintain proactive relationships with all borrowers, regardless of their payment status. However, in delinquency situations, extra care is taken to maintain positive, consistent communications with Borrowers in an ongoing effort to restore the loan to a current status.

The Loan Officer and the Portfolio Manager will maintain a log in the borrower's portfolio of all verbal and written communication with borrowers about past due payments. The Executive Director is authorized to develop a plan for repayment of past due amounts with the Borrower at any time prior to a MHTF board decision to initiate a formal foreclosure proceeding or collection action. Restructuring of the entire loan balance is described below.

A returned check fee will be charged equal to fees charged to MHTF for each returned check or \$35.00 whichever is greater. The Executive Director may waive this fee in unusual circumstances.

A. 15 Days Late

If a payment is more than fifteen days late, the Loan Officer will telephone the Borrower to obtain a commitment for a payment date by which borrower will bring its loan payments to current status. A late payment penalty of 5% of the loan amount past due is assessed after a 10-day grace period. The Executive Director may waive a late fee, but all late payments will be included in the Loan Report.

B. 30 Days Late

If a payment is more than thirty days late, the Portfolio Manager will telephone the Borrower to obtain a commitment for a payment date and mail a written notice of the delinquent payment to the Borrower, as well as possibly scheduling a site visit with the Borrower. The goal of this meeting is to develop a payment plan with the Borrower to bring the Borrower current and/or to identify a co-signer for the loan.

The Portfolio Manager will update the loan software and the Loan Report to reflect the late payment and downgrade the Risk Rating. The Portfolio Manager will also review the file to confirm that collateral, security and other documentation is in place and in order and that all insurances required by the borrower are in place so as to protect MHTF's foreclosure and other rights.

C. 45 Days Late

If a payment is more than 45 days late, the Portfolio Manager will telephone the Borrower to obtain a commitment for a payment date and mail a second written notice of the delinquent payment to the Borrower.

D. 60 Days Late

By the 60th day of a late payment, the Loan Officer makes a site visit with the Executive Director or Portfolio Manager. At this meeting, they develop an agreed upon payment plan with the Borrower to bring the loan current. If the parties cannot come to terms, or the Borrower is unresponsive, 90-day activities (described below) begin immediately.

The Portfolio Manager reviews the file to confirm that collateral documentation and all required insurances are in place to protect MHTF's collateral, foreclosure and other rights. Legal counsel may be required.

The Portfolio Manager reports the status to the Loan Committee, updates the Loan Report to reflect that the loan payment is more than 60 days past due, downgrades the Loan Risk Rating as applicable and informs the Finance Manager of late fees to be assessed.

E. 75 Days Late

If the payment has not been received by the 75th day, the Portfolio Manager will telephone the Borrower to obtain a commitment for a payment date and mail a third written notice of the delinquent payment to the Borrower.

The Loan Officer will report to the Loan Committee the nature of the problem and recommend actions that may include but are not limited to:

1. Inspection of the borrower's operations, borrower's books, and the collateral;
2. Issuing the borrower a notice of default;
3. In cases where Lending Staff can demonstrate it is reasonably likely that the borrower can repay the loan in the future, restructuring the loan;
4. Requesting legal counsel to send the borrower a collection letter;
5. Such other action as deemed reasonable by the Lending Staff.

F. 90 Days Late

At the next Loan Committee meeting, the Executive Director presents a detailed account of borrower's operational information, financial condition, and status of the affordable housing development and a review of the collateral. The Loan Committee will examine the situation and present a report at the next meeting of the Board of Directors. The report will include the Loan Committee's findings and recommendations including any of the following:

1. Loan restructuring and terms;
2. Any further forbearance of action based upon certainty of repayment and confidence of staff in the borrower's operations;
3. Strategy to liquidate the collateral;
4. Notice of default and intention to foreclose sent to borrower by legal counsel;

5. Any action deemed to have a high probability of protecting MHTF's interest in repayment and in the security for the loan, and/or facilitating the borrower's ability to perform on the loan.

G. 120 Days Late/Write-Off

For all loans 120 days or more past due, the Loan Committee recommends to the Board of Directors that foreclosure or other material legal action be initiated against the borrower to protect MHTF's interest in repayment and in the collateral for the loan. Upon receipt of board approval, MHTF will direct the Finance Manager to write-off that portion of the outstanding loan deemed uncollectible at that time. This write-off will be charged against the Loan Loss Reserve Account.

XVI. Restructuring

MHTF may restructure or extend loan terms when the borrower encounters unexpected obstacles. If the inability to repay in accordance with the original agreement is due to economic or social forces beyond the control of the Borrower, MHTF staff will work with the Borrower to preserve the Borrower's ownership of and equity in the property. Loan restructuring will be pursued only in those instances where the restructuring will significantly improve the Borrower's ability to fully perform under the loan terms.

XVII. Loan Foreclosure

In most instances, a foreclosure on collateral will be viewed as the last option. There are, however, instances when foreclosure is the only remedy to a deteriorating situation. In instances of foreclosure, the Loan Committee will make a detailed assessment in its recommendation to the Board of Directors. The assessment must include a full analysis of the plans and consequences of foreclosure. Foreclosure may only take place with concurrence of the Board of Directors prior to initiation of foreclosure proceedings by the Staff.

All foreclosure proceedings and collection actions are conducted in a way to maximize protection of MHTF's capital and the interests of affected parties, including employees and clients of the Borrower.

Collateral liquidations are used to cover the cost of the outstanding loan principal, any accrued interest and fees, as well as the transaction costs of liquidation (i.e., legal, marketing, staff time).

When the foreclosure is complete, the Finance Manager provides a full written accounting of each transaction to the Borrower and the Loan File. If collected proceeds are not sufficient to cover the entire amount owed, the remaining balance is written off as described below. If collected funds exceed the principal, interest, fees, and expenses owed to MHTF, the remaining funds are returned to the Borrower with the full written accounting within 30 days following the sale of the property.

XVIII. Loan Write-Offs and Recovery of Bad Debt

If further collection efforts seem unlikely to result in the recovery of all or a portion of the unpaid balance of a loan, the Executive Director proposes to the Board that the loan be written off in full. If the Board agrees, the Finance Manager writes off the uncollected principal from the loss reserve account and removes the loan from the balance sheet. The loan loss reserve may then have to be adjusted so

that it equals the aggregate of the loan loss reserves assigned to each loan remaining in the portfolio, generating an expense on the Statement of Activities.

In those instances where a loan is written off, MHTF does not stop ongoing loan collection activities, nor does it notify the borrower of the write-off. All recoveries after a write-off are booked as a Recovery of Bad Debt on the income statement.

XVIX. Forgivable Loans

A. USE OF FUNDS

Forgivable Loans can be provided as Affordable Housing Subsidies (“subsidy”) and are offered as zero percent, non-amortizing, deferred loans.

A. Homebuyer Program:

1. Loan: MHTF subsidy will be a non-amortizing, deferred loan at zero-percent interest for a period of 20 years from the date of execution. If the Owner sells, transfers, or conveys the Property before the expiration of twenty (20) years or if the property ceases to be Owner’s primary residence, the loan will be due and payable in full.

a. If the property is transferred through probate or will to the Owner’s heirs and is the primary residence of the heirs, the loan will remain in effect at the original terms.

b. The Executive Director of the Midlands Housing Trust Fund may waive full or partial repayment of the loan if one of the following conditions exists: . Decisions will be made on a case by case basis.

c. The loan will terminate upon the last day of the 20th year following the execution of the loan provided that the Owner or an heir maintains the property as his primary residence.

2. Shared Equity: An agreement for Restrictive Covenants, Sales Proceeds and Right of First Refusal (the “Covenants”) for the sale of residences will be attached to the Property and the residences for a period of twenty (20) years from the date of execution.

a. The Covenants run with the Property and are binding upon the Owner and all subsequent Owners of the Property for a period of twenty (20) years. If the Owner sells, transfers, or conveys the Property before the expiration of twenty (20) years, the Owner will share the “net sales proceeds” with MHTF.

(1) “Net Sales Proceeds” is defined as:

The gross sales price of the subject property

minus normal transaction fees associated with the sale of real estate in South Carolina, e.g. real estate commissions, fees;

minus the balance of all non-MHTF loans that were incurred by the Owner to purchase the Property (first money mortgage) and/or all loan amounts that were subsequently incurred with written consent of MHTF;

minus the MHTF loan amount;

minus the Owner's equity, including principal paid on first money mortgage, down payment and fees paid at purchase and Owner financed capital improvements to property.

(2) The Owner will receive one-twenty (1/20) of the Net Sales Proceeds for every full year the Owner owned and resided, as their primary residence, at the Property.

(3) The remainder of the Net Sales Proceeds will be split equally between the Owner and Midlands Housing Trust Fund.

Example

Owner purchases house for \$175,000 using the following sources of funds:

Owner borrows \$150,000 from the bank

Loan for \$20,000 from MHTF.

Owner contributes \$5,000.

Owner sells the Property to a non-Eligible Household exactly ten (10) years after its purchase for \$200,000. There is Non-MHTF debt of \$100,000 and MHTF debt of \$20,000. Owner has closing costs of \$15,000.

Gross Sales Proceeds		\$200,000
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Deduct from Gross Sales Proceeds

- | | | |
|---|------------------|------------------|
| • Remaining balance of conventional mortgage | \$100,000 | |
| • Reimburse owner for non-MHTF debt already paid off (\$5,000 down payment & \$50,000 equity) | \$ 55,000 | |
| • MHTF loan | \$ 20,000 | |
| • Real estate commissions and other closing costs | <u>\$ 15,000</u> | <u>\$190,000</u> |

Net Sales Proceeds		<u>\$ 10,000</u>
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Owner's share:

1/20 of proceeds x 10 years	\$5,000	
plus 1/2 of remaining proceeds	<u>\$2,500</u>	\$ 7,500

MHTF share of equity		\$ 2,500
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Rental Property:

1. MHTF subsidy will be a non-amortizing, deferred loan at zero-percent interest for a period of up to 20 years from the date of execution.

a. MHTF loan will be due and payable in full at termination of the loan period.

b. If the Owner sells, transfers, or conveys the Property, the loan may be repaid in full or it may be transferred to the new Owner at the original terms.

2. An agreement for Restrictive Covenants, Sales Proceeds and Right of First Refusal (the "Covenants") will be attached to the Property for a period of twenty (20) years from the date of execution.

a. The Restrictive Covenants will remain in effect if the Owner sells, transfers, or conveys the Property within the 20-year affordability period.

b. During the 20-year affordability period, the Owner may convert the affordable units to market rate only with the written permission from MHTF.

(1) The Owner must demonstrate that continuance of the MHTF Restrictive Covenants constitutes a financial hardship. Decisions will be made on a case-by-case basis.

(2) Prior to release of the Restrictive Covenants, the MHTF loan will be due and payable in full.

(3) Prior to release of the Restrictive Covenants, the Owner will pay MHTF a Rental Affordability Fee. The Rental Affordability Fee is the difference between the maximum affordable per-unit monthly rent and the anticipated market per-unit monthly rent times the number of affordable units times the number of months remaining until the termination of the 20 year compliance period.

ELIGIBLE ACTIVITIES

Predevelopment, acquisition, construction, permanent financing of affordable housing and homebuyer assistance (to include down payment and closing cost assistance).

ELIGIBLE APPLICANTS

Non-profit and for profit developers and government entities are eligible to apply for affordable housing subsidy with or without requesting a loan.

MAXIMUM AMOUNT

\$25,000 per unit. Amount and terms of subsidy are at the discretion of MHTF.

MHTF will secure its funds with a mortgage and promissory note payable to MHTF and filed at the county office of record.

AFFORDABILITY

Units must be occupied by households at 120% and below of Area Median Income.

All units that are funded by MHTF will be subject to affordability controls through a restrictive covenant that limits the property rights of the owner for 20 years

II. CRITERIA

MHTF will consider using Affordable Housing Subsidies when one or more of the following apply: 1.) Subsidy is necessary to make the project feasible. 2.) Subsidy will expedite project development. 3.) The project cannot support enough debt to fully cover the production cost. 4.) Other private or public funds cannot be acquired; 5.) It is needed to minimize the risk on a loan by MHTF or another potential lender. 6.) To close a deal that needs home buyer assistance. 7.) It will accomplish the priorities listed below.

Priorities: MHTF will give priority for subsidy to projects that:

1. provide housing for very low and extremely low income households;
2. house a population under-served by the private market, for example, large households or handicapped population;
3. promote efficient land use through infill in existing neighborhoods, reuse of abandoned buildings and/or rehabilitation of dilapidated, substandard structures;
4. incorporate features that minimize impact on the environment and enhance the health and safety of the residents, e.g., energy efficient, properly sized heating/cooling equipment; high efficiency windows; buildings sited to take advantage of solar orientation; use of recycled materials; non toxic finishes.

III. APPLICATION PROCESS FOR AFFORDABLE HOUSING SUBSIDY

Application intake and review for affordable housing subsidy will follow the standard MHTF Loan Underwriting and Loan Approval procedures (Sections VI and VII.).

- a. Applicants may apply for an affordable housing subsidy without requesting a loan.
- b. Applicants may apply for an affordable housing subsidy in conjunction with a loan. If an applicant seeks both a loan and subsidy, both requests should be made simultaneously.
- c. MHTF's Lending Director or Loan Committee may recommend the addition of a subsidy to a loan request to achieve project feasibility or lower risk as a condition of loan approval.

Applications will be accepted and evaluated continuously throughout the year.

APPLICATION PROCESS FOR HOME BUYER ASSISTANCE

1. Sponsor completes and submits the Home Buyer Assistance Application along with the following attachments:
 - a. Interior and Exterior Photographs of the Home
 - b. Homebuyer's Educational Seminar Certificate
 - c. Sales Contract
 - d. Loan Commitment & Underwriter's Conditional Approval ***
 - e. Good Faith Estimate
 - f. Full Appraisal
 - g. Complete Home Inspection Report by a state licensed inspector (with either of the two national certifications listed below) for existing unit or Certificate of Occupancy for new construction unit

2. MHTF's Application Review Committee conducts a site visit, evaluates application, and makes loan recommendation to MHTF Board of Directors.
3. MHTF's Board of Directors approves commitment of loan proceeds.
4. MHTF notifies Sponsor of loan approval within **15** days of application submission.
5. No later than **30** days following notification of loan approval, MHTF loan must be closed in conjunction with bank loan.

*****Note: Funding from the Midlands Housing Trust Fund should NOT be listed as a condition of closing. Funding from the Midlands Housing Trust Fund is NOT guaranteed until a complete application is submitted and a loan approval letter is received by the Sponsor. The lender's commitment letter should ONLY indicate that the loan approval is subject to the buyer receiving down payment assistance from all unnamed and uncommitted sources.**

Funding Process

1. Homebuyer's attorney will provide the following documents to MHTF's attorney prior to closing:
 - a. Title Insurance Commitment, Copy of Exceptions, Legal descriptions, and Deed
 - b. Title Policy and Endorsements with Survey Coverage
 - c. Survey/Plats (if deemed necessary)
 - d. Proof of Insurance (liability, hazard, and flood where applicable) with "Midlands Housing Trust Fund, Inc." listed a loss payee

Affordability

- Homeownership units will be considered affordable if the monthly carrying costs (principal, interest, taxes, homeowner, and private mortgage insurance) do not exceed 30 percent of an eligible household's income.
- MHTF may permit a homebuyer to spend up to 32 percent of income for housing if: (1) the family is already spending as much or more on a monthly basis for housing and (2) a lender will grant a mortgage at a higher debt to-income ratio.

Inspection/Certificate of Occupancy

- Certificate of occupancy required for new construction units.
- Independent home inspection required for existing units.
- **Pre and Post inspection** by a state licensed inspector required to have either of the two national certifications: **American Society of Home Inspectors (ASHI)** or the **International Association of Certified Home Inspectors (InterNACHI)**.
- All major systems and components must be addressed, including the roof, exterior, foundation and grading, attic and insulation, interior ceilings, walls and floors, doors and windows, major appliances, heating and cooling, electrical and plumbing systems.
- The following documents must accompany the inspection report (1) documentation of replacements and/or repairs by a licensed technician (including invoices and proof of payment) (2) an addendum to the contract stating that inspection items will be replaced and/or repaired by a licensed technician prior to closing (documentation must be provided prior to release of MHTF funds) or (3) an addendum to the contract stating that a portion of the seller's proceeds will be held in trust after closing and used to pay for replacements and/or repairs (estimates must be provided prior to release of funds).
- Pre 1978 house must be tested for lead based paints or a waiver must be signed by the homebuyer.

Appraisal

- A full copy of an appraisal conducted within last 90 days listing the condition of the property as “average” or above must be submitted along with the program application.
- Application Review Committee members will review the appraisal and home inspection and perform a site visit.
- Application Review Committee members will exercise sole discretion in determining if a property is acceptable for the program.

Homebuyer Counseling

The potential homeowner must have attended a homebuyer education class and must provide a copy of the homebuyer education certification. At a minimum, homebuyer education must ensure potential homebuyers understand the following:

- The importance of establishing and maintaining good credit
- Budgeting
- How to apply for financing and how it works
- What takes place at closing, closing costs, and closing documents
- What their rights are as a homebuyer
- Home maintenance after purchase

Homebuyer’s Cash Investment Requirement

- At least \$500 must be invested in the home buying transaction by the buyer.
- The cost of the appraisal, home inspection, credit report, earnest money, MHTF origination fee, and/or cash brought to closing qualifies under this requirement.

Withholding of Loan Origination Fee

A \$250 loan origination fee will be due and payable to the Midlands Housing Trust Fund at loan closing. These funds will be withheld from the loan proceeds.

Allowable Lender Fees

- 1.00% Origination Fee
- 1.00% Buyer/Seller (Discount) Point
- Application Fee: Not to exceed \$325 (includes compliance and funding fee)
- Other Closing Costs: including appraisal fee; credit report fee, survey fee, title insurance fee, etc. (must be fully disclosed on HUD-1)

Lender Qualifications

- have maintained a loan origination office in SC for at least one year
- be either:
 1. Federal Housing Administration (“FHA”) approved;
 2. an eligible lender in good standing for Veteran’s Administration (“VA”);
 3. an eligible lender in good standing for Rural Housing Service’s (“RHS”) guaranteed rural housing loan program; or

4. a lender currently participating in the conventional home lending market for loans originated in accordance with Fannie Mae or Freddie Mac guidelines.

- have a minimum net worth of \$400,000
- have a minimum warehouse line of \$1 million
- originate, process, underwrite, close and fund originated loans in your own name

Exhibit A. Loan Application Form

SECTION 1: LOAN SUMMARY	
1. LOAN TYPE	
	<input type="checkbox"/> Predevelopment <input type="checkbox"/> Bridge <input type="checkbox"/> Gap <input type="checkbox"/> Permanent
2. ACTIVITY TYPE (Select All that Apply)	
	Acquisition <input type="checkbox"/> Infrastructure <input type="checkbox"/> Construction/ Redevelopment <input type="checkbox"/> Rehabilitation <input type="checkbox"/>
3. UNIT TYPE (Select All that Apply)	
	Homeownership <input type="checkbox"/> Rental <input type="checkbox"/> Homeownership Single Family <input type="checkbox"/> Multi Family <input type="checkbox"/> And Rental <input type="checkbox"/> Transitional <input type="checkbox"/> Mixed Use <input type="checkbox"/> Mixed Income <input type="checkbox"/>
4. PROJECT COST	
TOTAL PROJECT COST: _____	
5. LOAN TERMS	
Amount Requested: _____	
Loan Term Requested: _____	
When do you need the funds? _____	
How will you repay the MHTF loan? Construction Financing <input type="checkbox"/> Permanent Financing <input type="checkbox"/>	
Source of Committed Funds _____	
What collateral is offered? _____ Valuation of collateral: _____ Less prior liens: _____	
SECTION 2B SUBSIDY SECTION (IF AVAILABLE*)	
Amount Requested: _____	
When do you need the funds? _____	
Why do you need subsidy funds? _____	
*MHTF will keep 25% of its unrestricted capital funds available for subsidies, most of these subsidies will be used for the Home Buyer Assistance program	
SECTION 2: ORGANIZATION SUMMARY	
1. APPLICANT INFORMATION (IF MORE THAN ONE APPLICANT, FILL OUT SECTION 3 FOR EACH APPLICANT AND INCLUDE ATTACHMENTS)	
Applicant Name: _____	
Contact Name And Title: _____	
Street Address: _____	
City And State: _____	
Zip Code: _____	
Telephone Number: _____	
Fax Number: _____	
Email Address: _____	
Federal Tax Identification #: _____	
Developer Status: Non-Profit <input type="checkbox"/> Joint Venture <input type="checkbox"/> For Profit <input type="checkbox"/> Government Entity <input type="checkbox"/>	
2. ORGANIZATIONAL CAPACITY	
Please provide a brief history of the applicant, related experience, and a description of previous projects successfully completed. If the applicant is <u>not</u> the developer, provide this information for both the applicant and the developer.	

Exhibit A. Loan Application Form

3. REFERENCES			
1)	Name _____	Email Address _____	
	Address _____	Telephone Number _____	
	Prior Project(s) in which reference has participated: _____		
2)	Name _____	Email Address _____	
	Address _____	Telephone Number _____	
	Prior Project(s) in which reference has participated: _____		
3)	Name _____	Email Address _____	
	Address _____	Telephone Number _____	
	Prior Project(s) in which reference has participated: _____		

SECTION 3: PROJECT SUMMARY

1. PROJECT INFORMATION			
	Project Name:	_____	
	Street Address:	_____	
	City and State:	_____	
	Zip Code:	_____	
	County:	_____	
	TMS Number:	_____	
	Census Tract:	_____	
Legislative District Number:	SC Senate _____	SC House _____	US Congress _____

2. PROJECT DISCUSSION
<p>Include a brief discussion of the project for which you are seeking funding. Your discussion should incorporate, but not be limited to: a description of the activity, size and scope of the project; the project location and why it is appropriate; the impact of the project on the neighborhood; anticipated funding sources; when the project construction will begin and when it will be completed. Include other relevant issues not discussed elsewhere in the application.</p> <p>_____</p>

3. HOUSING UNITS
<p>The Recipient shall create _____ (number) housing units,</p> <p>of which (number) _____ will be affordable to very low income households, (50% of median and below)</p> <p>(number) _____ will be affordable to low income households, (51% to 80% of median)</p> <p>(number) _____ will be affordable to moderate income households, (81% to 120% of median)</p> <p>and (number) _____ will be market rate.</p>

4. MHTF FINANCED UNITS
<p>MHTF will finance _____ housing units,</p> <p>of which (number) _____ will be affordable to very low income households, (50% of median and below)</p> <p>(number) _____ will be affordable to low income households, (51% to 80% of median)</p> <p>(number) _____ will be affordable to moderate income households, (81% to 120% of median)</p>

5. UNIT DESCRIPTIONS				
# Units	# Bedrms/Baths	Sq. Ft.	Sales/Rental Price	Moderate, Low, or Very Low

Exhibit A. Loan Application Form

SECTION 4: DEVELOPMENT TEAM

1. DEVELOPER

Please identify the project developer(s) and other members of the development team. If more than one firm or individual is being identified, please indicate for what portion or phase of the project they will be responsible.

Organization		Contact Person	
Address		Telephone Number & Email Address	
City, State, Zip Code		Responsibility	
Organization		Contact Person	
Address		Telephone Number & Email Address	
City, State, Zip Code		Responsibility	
Organization		Contact Person	
Address		Telephone Number & Email Address	
City, State, Zip Code		Responsibility	

2. CONTRACTOR/BUILDER

Organization		Contact Person	
Address		Telephone Number & Email Address	
City, State, Zip Code		Responsibility	

3. ARCHITECT

Organization		Contact Person	
Address		Telephone Number & Email Address	
City, State, Zip Code		Responsibility	

4. CONSULTANT/PLANNER

Organization		Contact Person	
Address		Telephone Number & Email Address	
City, State, Zip Code		Responsibility	

5. PROJECT COORDINATOR

Organization		Contact Person	
Address		Telephone Number & Email Address	
City, State, Zip Code		Responsibility	

6. ATTORNEY

Organization		Contact Person	
Address		Telephone Number & Email Address	
City, State, Zip Code		Responsibility	

Exhibit A. Loan Application Form

7. TAX CREDIT SYNDICATOR			
Organization	_____	Contact Person	_____
Address	_____	Telephone Number & Email Address	_____
City, State, Zip Code	_____	Responsibility	_____

SECTION 5: PROJECT TIMETABLE AND READINESS TO PROCEED	
1. CONSTRUCTION DATES	
Anticipated length of construction, acquisition, or rehabilitation:	
Start Date	_____
End Date	_____
2. SITE INFORMATION	
a. Do you have site control?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b. If yes, identify form of control.	Deed <input type="checkbox"/> Title <input type="checkbox"/> Purchase Agreement <input type="checkbox"/> Option <input type="checkbox"/> Other <input type="checkbox"/>
c. Are there any deed restrictions on the property?	NO <input type="checkbox"/> YES <input type="checkbox"/> If yes, provide a copy of the restriction(s).
d. Is there sewer and water at the site?	NO <input type="checkbox"/> YES <input type="checkbox"/> If no, what is the estimated cost of bringing water and sewer to the site? _____
e. Is asbestos removal required?	NO <input type="checkbox"/> YES <input type="checkbox"/> If yes, provide a copy of the study if available (executive summary and/or conclusions ONLY).
f. Is lead paint removal required?	NO <input type="checkbox"/> YES <input type="checkbox"/> If yes, provide a copy of the study if available (executive summary and/or conclusions ONLY).
g. What was the prior use of this site?	_____
h. Have any environmental or soils surveys been done on this site	NO <input type="checkbox"/> YES <input type="checkbox"/> If yes, provide a copy of the study if available (executive summary and/or conclusions ONLY.)
3. LOCAL APPROVALS	
a. Is the site zoned to permit the proposed use?	NO <input type="checkbox"/> YES <input type="checkbox"/> If no, what variances are needed and how long will it take?
b. What variances have been acquired?	_____
c. Is site plan approval required?	NO <input type="checkbox"/> YES <input type="checkbox"/> If yes, what is the status/timing? _____ If scattered sites, or a phased project, give information on each.
d. Are property taxes current?	NO <input type="checkbox"/> YES <input type="checkbox"/> If no, what is the status/timing? _____
4. ADDITIONAL APPROVALS	
List all additional local, county, and state approvals needed and status:	

Exhibit A. Loan Application Form

5. ARCHITECTURAL AND SITE PLANS (If Available)

Status of Site Plans	Conceptual Only	<input type="checkbox"/>	Preliminary	<input type="checkbox"/>	Final	<input type="checkbox"/>
Status of Architectural Plans	Conceptual Only	<input type="checkbox"/>	Preliminary	<input type="checkbox"/>	Final	<input type="checkbox"/>

SECTION 6: ENERGY EFFICIENCY, ENVIROMENTALLY FRIENDLY STRATEGIES

1. Check all of the following certifications you are seeking to obtain for your project and explain each checked item.

- LEED
- Earth Craft
- Energy Star
- Green Communities
- NAHB

2. Check all of the following strategies you have incorporated into your project and explain each checked item.

- Use durable materials to minimize maintenance cost, e.g. long lasting exterior finish materials.
Increase energy and water efficiency by using:
 - Properly sized high efficiency *Energy Star*-compliant heating, cooling, and hot water equipment
 - Fully sealed duct system, insulated pipes, water heater jackets
 - Passive solar Strategies
 - Low e/ low-solar-gain windows
 - Water efficient shower heads and toilets
 - Energy Star*-compliant appliances
 - Energy efficient lighting using day lighting when possible and *Energy Star* compliant lighting fixtures
 - Home Energy Rating System (HERS) testing
 - Other:
- Increase health and safety with:
 - Low toxicity interior paints, finishes, carpets
 - Effective mechanical ventilation
 - Other:

3. Explain each checked item above.

SECTION 7: MARKET/NEEDS ASSESSMENT

1. INTENDED POPULATION

What is the population that you intend to serve with this project? Check all that apply

Income Level

<input type="checkbox"/>	Extremely Low Income Household (30% and below of AMI)	<input type="checkbox"/>	Low Income Household (51% to 80% of AMI)
<input type="checkbox"/>	Very Low Income Household (31% to 50% of AMI)	<input type="checkbox"/>	Moderate Income Household (81% to 120% of AMI)

Household Information

<input type="checkbox"/>	Single Parent Household	<input type="checkbox"/>	Female Head of Household
<input type="checkbox"/>	Senior Head of Household (Age 62 or older)	<input type="checkbox"/>	Dual Income Household
<input type="checkbox"/>	Disabled Household Member	<input type="checkbox"/>	Homeless

Exhibit A. Loan Application Form

2. SITE SELECTION

Why did you select this site for your project?

3. OCCUPANTS

From what geographic area do you anticipate drawing occupants for this project?

4. SALES/RENTS OF SIMILAR UNITS IN THE AREA

# of Bedrooms	# of Bathrooms	Market Price or Rent	Your Proposed Sale Price or Rent

What methodology did you use for determining the values listed above?

5. SOURCES OF INFORMATION

Sources of Evidence of Project Need in Neighborhood	Check all that apply.	Provide contact person name where appropriate.
Area Realtors	<input type="checkbox"/>	_____
Neighborhood Groups, Churches, Other Developers	<input type="checkbox"/>	_____
Waiting List Data from Municipal or County Housing Authority	<input type="checkbox"/>	_____
Waiting List Data from Section 8 Program	<input type="checkbox"/>	_____
Waiting List Data from Other Affordable Housing Developments	<input type="checkbox"/>	_____
Census Data	<input type="checkbox"/>	_____
Other Source of Information _____ (please specify)	<input type="checkbox"/>	_____
Market Assessment/Analysis _____ (please specify)	<input type="checkbox"/>	_____

6. NEIGHBORHOOD DESCRIPTION

How would you describe the neighborhood? Check all that apply.

- | | | |
|--|--------------------------------------|--------------------------------|
| Severely Blighted <input type="checkbox"/> | Gentrifying <input type="checkbox"/> | Urban <input type="checkbox"/> |
| Blighted <input type="checkbox"/> | Well Kept <input type="checkbox"/> | Rural <input type="checkbox"/> |

Exhibit A. Loan Application Form

**SECTION 8: RESOLUTION
(To Apply For and Accept MHTF Funds)**

WHEREAS, ____ (the applicant) desires to apply for and obtain a ____ (loan, affordable housing subsidy) from The Midlands Housing Trust Fund, Inc. in the amount of \$____ for the purpose of ____ (project activity) in the ____ (project name) ;

BE IT THEREFORE RESOLVED, that ____ (the applicant) does hereby authorize the application for and the execution of a contract for the receipt of such a loan, and does further, upon the execution of such a contract, authorize the expenditure of such funds pursuant to the terms of said contract between the applicant and MHTF.

BE IT FURTHER RESOLVED that the persons whose names, titles and signatures appear below are authorized to sign the application and that they or their successors in said titles are authorized to sign the contract and any other documents necessary in connection therewith:

SIGNED

NAME

TITLE

SIGNED

NAME

TITLE

Board of Directors Certification (if applicable)

I, ____ (Name of Secretary, CFO), hereby certify that at a meeting of the ____ (Governing Body) held on ____ (Date) the above resolution was duly adopted.

DATE

SEAL OR NOTARY

Exhibit A. Loan Application Form

ATTACHMENTS CHECKLIST

Complete and submit forms for all sections of the application. All attachments are required except those listed as “if applicable”. Place attachments at the end of the application in the following order. Label each attachment with the section and title that identifies it in the application. Check all attachments you are submitting. Application is complete when all sections are filled out and all appropriate attachments are included along with a nonrefundable application fee of \$250. Only complete applications will be considered.

SECTION 1	LOAN SUMMARY
	<input type="checkbox"/> Development Budget Worksheet <input type="checkbox"/> Operating Pro Forma Worksheet <input type="checkbox"/> Sources and Uses Worksheet <input type="checkbox"/> Affordability Worksheet
SECTION 2	ORGANIZATION SUMMARY (IF MORE THAN ONE APPLICANT, FILL OUT SECTION 2 FOR EACH APPLICANT AND INCLUDE ATTACHMENTS)
	<input type="checkbox"/> Copy of 501(c)(3) Designation Letter (if applicable) Copy of Articles of Incorporation (if applicable) Certificate of Good Standing from the SC Secretary of State <input type="checkbox"/> If developer is a 501(c)(3) non-profit corporation attach list of the Board of Directors and the staff <input type="checkbox"/> W-9 Request for Taxpayer Identification Number and Certification <input type="checkbox"/> Copy of Annual Report (if applicable) <input type="checkbox"/> Copy of Most Recent Audited Financial Statement (if applicable) <input type="checkbox"/> Dunn & Bradstreet Report and Scored Credit Report on all principals <input type="checkbox"/> Status of other Projects <input type="checkbox"/> Three years of Tax Returns and Current Year to Date Financial Statements <input type="checkbox"/> List any litigation the company or its principals are involved in or litigation on the project and the disposition of this litigation
SECTION 3	PROJECT SUMMARY
	<input type="checkbox"/> Attach maps of the neighborhood that clearly show the project site and the project’s location within the municipality <input type="checkbox"/> Attach photographs of the site and structures, if available, and the adjacent properties <input type="checkbox"/> Directions to project site
SECTION 4	DEVELOPMENT TEAM
	<input type="checkbox"/> Resumes and relevant experience of the developer, contractor/builder, and the consultant/ planner (if applicable.)
SECTION 5	PROJECT TIMETABLE
	<input type="checkbox"/> Attach copies of all available documents referenced in this section: <input type="checkbox"/> A copy of site control documentation and deed restrictions Title (if applicable) <input type="checkbox"/> A copy of the executive summary and/or conclusions of asbestos removal, paint removal, and/or environmental or soil surveys <input type="checkbox"/> Copies of additional approvals <input type="checkbox"/> For new construction, attach conceptual plans <input type="checkbox"/> For rehabilitation or adaptive reuse of a vacant building, attach work write-up(s) and cost estimate and attach certification from a licensed architect or engineer that the building is structurally sound and appropriate for the intended use and that the reconstruction is achievable or within the cost structure proposed in this application <input type="checkbox"/> Supplement this information to the greatest extent possible with site plans, floor plans and architects and/or engineer report <input type="checkbox"/> For Acquisition and Pre-development: Sales contract, site information
SECTION 6	ENERGY EFFICIENCY
SECTION 7	MARKET NEEDS ASSESSMENT
SECTION 8	RESOLUTION

Exhibit B. Credit Memo Template

The following Credit Memo form will be printed on MHTF's letterhead.

Credit Memo

1. MHTF INFORMATION		
Date Presented: _____	Loan Rating: _____	
Lending Staff: _____	Referral Source: _____	
2. APLICANT INFORMATION		
Applicant Name: _____		
Contact Name And Title: _____		
Street Address: _____		
City And State: _____		
Zip Code: _____		
Telephone Number: _____		
Fax Number: _____		
Email Address: _____		
Officers/Principals:	Name	Address
_____	_____	_____
_____	_____	_____
<input type="checkbox"/> Non-Profit <input type="checkbox"/> For Profit <input type="checkbox"/> Government Entity <input type="checkbox"/> Joint Venture <input type="checkbox"/> Limited Dividend Entity <input type="checkbox"/> Other _____		
Applicant Status: _____		
3. PROJECT INFORMATION		
Project Name: _____		
Street Address: _____		
City and State: _____		
Zip Code: _____		
County: _____		
Anticipated Construction Start Date _____		
Anticipated Occupancy Date _____		
4. ACTIVITY TYPE		
Select All that Apply:	Acquisition <input type="checkbox"/> Construction <input type="checkbox"/>	Predevelopment <input type="checkbox"/> Rehab <input type="checkbox"/>
		Infrastructure <input type="checkbox"/> Mortgage Buy down <input type="checkbox"/>
5. UNIT TYPE		
Select All that Apply:	Homeownership <input type="checkbox"/> Single Family <input type="checkbox"/>	Rental <input type="checkbox"/> Multi Family <input type="checkbox"/>
		Mixed Use (includes commercial) <input type="checkbox"/> Transitional <input type="checkbox"/>

Exhibit B. Credit Memo Template

6. HOUSING UNITS			
The Recipient shall create (number) _____	housing units,		
of which (number) _____	will be affordable to very low income households, (50% of median and below)		
(number) _____	will be affordable to low income households, (51% to 80% of median)		
(number) _____	will be affordable to moderate income households, (81% to 120% of median)		
and (number) _____	will be market rate. (121% and above)		
7. MHTF FINANCED HOUSING UNITS			
MHTF will finance (number) _____	very-low income units, (50% of median and below)		
(number) _____	low-income units, (51% to 80% of median)		
(number) _____	moderate-income units, (81% to 120% of median)		
8. LOAN DESCRIPTION			
Loan Type: _____		Note: _____	
Loan Amount: _____	Amortization Schedule Attached	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Interest Rate: _____	Debt Service Coverage Ratio: _____		
Fees: _____	Source of Repayment: _____		
Other Charges: _____	Secondary Source: _____		
9. SOURCE OF FUNDS			
Source(s) of Funds			
Source _____	Amount \$ _____	Committed <input type="checkbox"/>	Anticipated <input type="checkbox"/>
Source _____	Amount \$ _____	Committed <input type="checkbox"/>	Anticipated <input type="checkbox"/>
Source _____	Amount \$ _____	Committed <input type="checkbox"/>	Anticipated <input type="checkbox"/>
Source _____	Amount \$ _____	Committed <input type="checkbox"/>	Anticipated <input type="checkbox"/>
<i>List additional sources on separate sheet.</i>		Total Sources: \$ _____	
10. USES OF FUNDS			
Use(s) of Funds			
Use _____	Amount \$ _____		
Use _____	Amount \$ _____		
Use _____	Amount \$ _____		
Use _____	Amount \$ _____		
<i>List additional uses on separate sheet.</i>		Total Uses: \$ _____	
11. COLLATERAL			
Description and Lien Position	Valuation	Less: Priors Lien(s)	Discounted Value
(1) _____	_____	_____	_____
(2) _____	_____	_____	_____
(3) _____	_____	_____	_____
(4) _____	_____	_____	_____
12. GUARANTORS			
Name	Address	Amount and Comments	
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
13. PROJECTED IMPACT			
Leveraged Funds			
Other Social Impacts			
14. STRENGTHS			

Exhibit B. Credit Memo Template

1.		
2.		
3.		
4.		
15. WEAKNESSES		
1.		
2.		
3.		
4.		
16. CREDIT POLICY EXCEPTIONS		
1.		
2.		
3.		
4.		
17. RECOMMENDED CONDITIONS TO CLOSING		
1.		
2.		
3.		
4.		
18. ADDITIONAL TERMS AND CONDITIONS		
IF LOAN COMMITTEE APPROVAL IS REQUIRED		
Members Voting _____ <input type="checkbox"/> Approve <input type="checkbox"/> Deny		
IF BOARD OF DIRECTORS APPROVAL IS REQUIRED		
Members Voting _____ <input type="checkbox"/> Approve <input type="checkbox"/> Deny		
REQUIRED SIGNATURES		
Signature	Title	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Exhibit C. Risk Rating Policy

Risk Category	Loan Loss Reserve	Security	Repayment		Financial Condition	Payment History
			Multifamily	Single Family/ Homeownership		
I	5%	Combined LTV ≤ 80%	Debt Service Coverage Ratio >1.25	Pre-sale commitments of 75% to 100%	Strong financial condition, remains steady or improving	No 30-day late payments in preceding 12 months
II	7%	Combined LTV ≤ 90%	Debt Service Coverage Ratio >1.20 with prefunded operating reserve	Presale commitments of less than 75%	Average financial condition or has experienced loss of over 3% of operating profit over preceding 12 months	Up to 1 30-day late payment in preceding 12 months
III	10%	Combined LTV ≤ 100%	Debt Service Coverage Ratio >1.15 with prefunded operating reserve	Presale commitments of less than 50%	Below average financial condition or has experienced loss of over 5% of operating profit and net assets declining by over 5% during preceding 12 months	1 60-day late payment or 2 30-day late payments in preceding 12 months
<i>The following risk ratings are reserved for deterioration after closing</i>						
IV	15%	Combined LTV exceeds 100%	Debt Service Coverage Ratio falls below 1.10	Trend in presale commitments actually closing is 25% or less	Deteriorating financial condition as evidenced by loss of greater than 5% of operating profit and net assets declining by over 10% during preceding 12 months	More than 2 30-day late payments or 2 60-day late payments in preceding 12 months
V	Minimum 20%, up to 100%	15% - 50%: At least 3 consecutive non payments, continued deterioration of borrower's financial condition, the security for the loan and/or project feasibility, doubtful collection of some portion of loan principal, borrower nonresponsive to MHTF work-out efforts 50% - 100%: Foreclosure action or other material legal action commenced				

Exhibit D. Draw Request Form

MHTF Draw Request Form

Date of Closing: _____
This payment is requested for the following: _____
Draw Request Amount: _____
Loan Agreement #: _____
Organization: _____
Contact Name and Title: _____
Telephone: _____
Address: _____
City: _____ SC Zip: _____
Beneficiary Name (if applicable): _____
Property Address: _____
City: _____ SC Zip: _____
Signature: _____
(Authorized Representative)
Date: _____

For MHTF use only - do not write below this line

LOAN
Date: _____
Amount: _____ Wire Check #
MHTF Program Account from Bank Account: #
to Bank Account: #
Year/Program/Source: _____
FEES
Date: _____
Amount: _____ Wire Check #
MHTF Program Account from Bank Account: #
MHTF Operating Account to Bank Account: #
Year/Program/Source: _____
Total Disbursement: _____
Total Loan Amount: _____
Funds Remaining to be disbursed to Recipient: Forgivable Repayment

Executive Director Date Bookkeeper Date

Use to record loan repayment ONLY - do not write below this line

REPAYMENT
Date: _____
Amount: _____ Wire Check #
MHTF NSP Account from Bank Account: #
MHTF Program Account to Bank Account: #
Note: _____

Executive Director Date Bookkeeper Date

