

Cornerstone Permanent Mortgage Fund

Commitment Term:	Up to 36 months from rate lock.
Loan Term:	15 to 30 years
Loan Size:	Minimum \$5,000,000 to \$15,000,000
Amortization:	30 to 35 years (40 years for exceptional properties)
Interest Rate:	Priced over 10-year treasury; competitive spreads will fluctuate based on market and deal quality.
Rate Lock:	At any time after receipt of the signed Loan Term Sheet and acceptable Phase I, Plan and Cost Review and SUL determination (seismic zones 3 and 4 only), together with the Due Diligence and Commitment Fees noted below.
Location:	MSA of 100,000 or greater
Funding Assurance:	Two points of standby deposit and personal delivery guarantee all deposited and executed prior to rate lock.
Underwriting:	Debt Service Coverage: Minimum of 1.20x (1.15x for exceptional properties) Loan to Value: Maximum of 85% at restricted rents and 65% at market rents Rent: Minimum 10% advantage over market rents
Security:	4% or 9% LIHTC tax credit property of market rate quality
Liability:	Non-recourse except for fraud, bankruptcy, gross negligence, failure to obtain 8609s, etc.
Funding:	Full funding upon achievement of both, 90% occupancy for a minimum of 90-days and a 1.20x DSC based on in-place rents at no more than underwritten occupancy and at greater of underwritten or current budgeted expenses and escrows. Full funding also possible at .9x DSC with a Letter of Credit for the unsupported loan balance.
Extended Funding Date:	A one-time six-month extension available if property is completed with an extension fee based on the six-month US treasury rate.
Subordinate Debt:	Soft debt may be permitted with an acceptable inter-creditor agreement.
Prepayment:	Locked for the first 10 years then greater of 1% or YM.
Commitment Fee:	1.0% Commitment Fee paid prior to Lender presenting the Loan for approval.
Due Diligence:	Lender requires third-party reports for environmental, valuation, review of plans and specs and PCA of completed property, all at borrower's expense. A Seismic Review with SUL determination is required in seismic zones 3 and 4. In most cases, Lender will coordinate these reports with construction lender.
Construction Monitoring:	An engineer acceptable to Lender will monitor construction on behalf of lender. Lender will coordinate with construction lender.
Process:	All transactions to be submitted to Cornerstone for initial review. In depth underwriting and closing handled by Boston Capital Finance.

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