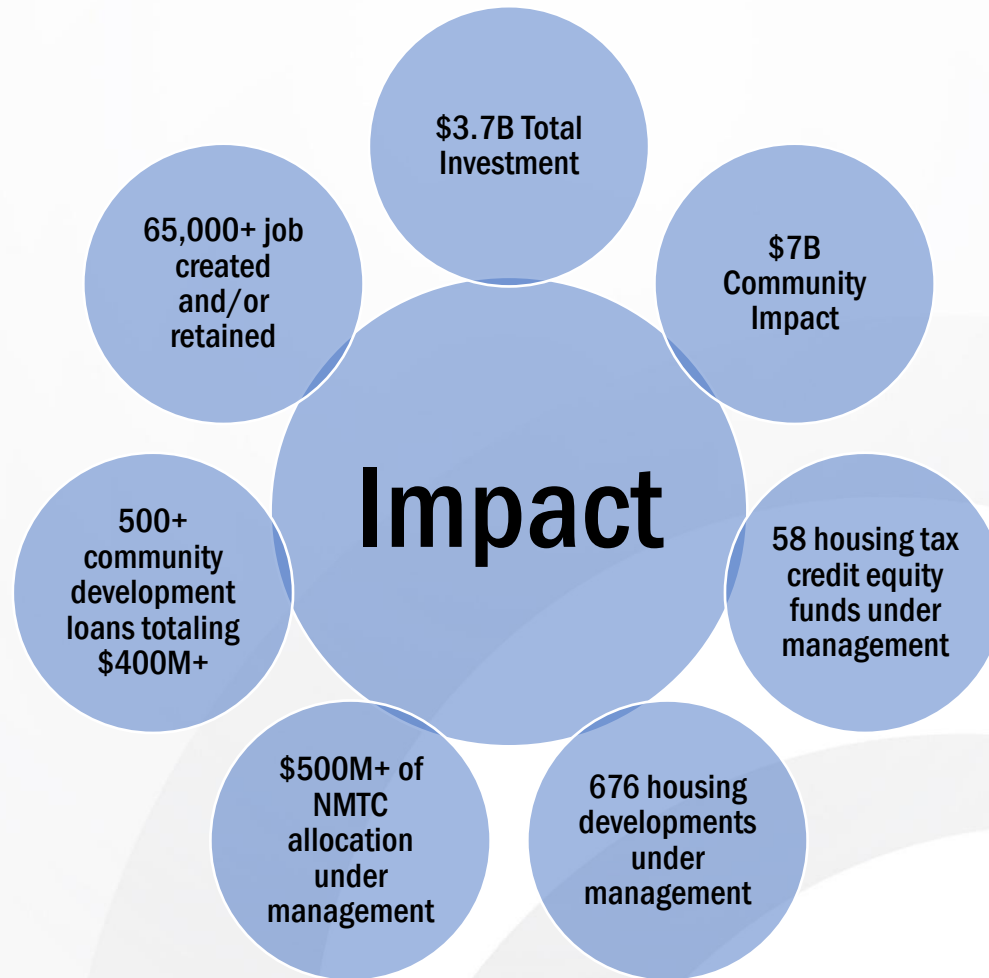




# A Community Development Financial Institution

- **Cinnaire is a full-service financial partner that supports community and economic development initiatives through creative loans, investments and best-in-class service.**
- **cinnaire.com | 844-4CINNAIRE**

# Cinnaire's Impact



# Our Business Lines

## TAX CREDIT INVESTING

- Low Income Housing Tax Credits (LIHTC)
- New Markets Tax Credits (NMTC)
- Federal Historic Credits (HTC)
- State Tax Credits
- Energy Tax Credits

## LENDING

- Predevelopment loans and grants
- Acquisition loans
- Bridge loans
- Permanent mortgage loans

## TITLE SERVICES

- Residential
- Commercial Real Estate

## REAL ESTATE DEVELOPMENT SERVICES

- General Partner/Owner
- Limited Partner
- Technical Assistance
- Developer

## COMMERCIAL REAL ESTATE FUND

- Mezzanine loans
- Private equity
- Senior Debt

Our comprehensive lending options support community development projects throughout the development's life cycle.

## **OUR CDFI LOAN PRODUCTS (activity since 2011):**

- **Predevelopment loans - \$12.7M**
- **Acquisition loans - \$10.3M**
- **Permanent mortgage loans - \$38.3M (Fannie Mae & Institutional Investor)**

# Predevelopment Loans

**Targeting:** Projects for which we will be syndicating LIHTC and/or providing perm loans

**Uses:** Standard costs incurred with 3rd party vendors such as market studies, architectural plans, environmental reports, legal costs, etc.

**Terms:**

- Loan term typically ranges from 6 to 18 months
- Loans are typically unsecured
- Loans can range from \$25,000 to \$500,000;  
Typical size is \$250,000
- Interest rates range from 4.0% to 6.5%

# Acquisition Loans

**Targeting:** Projects for which we will be syndicating LIHTC and/or providing perm loans

**Terms:**

- Loan term of up to 24 months to acquire existing affordable housing properties;
- Quarterly interest payments required
- Loans can be structured up to 90% LTV of purchase price;  
Minimum DSC of 1.10
- Loan amounts of \$500,000 or higher (We can participate with bank partners for larger loans)
- Interest rates range from 4.0% to 8.5%
- Guarantees required

# Immediate Loans

## IMMEDIATE PERM LOAN PRODUCT

- To acquire affordable apartment communities that can demonstrate the ability to pay debt service
- Submit 2 years of operational and occupancy history
- Properties undergoing rehabilitation are eligible as long as residents are not displaced
- Various loan terms available – typically 18 and 30 year are most popular
- Minimum 1.15 Debt Service Coverage
- Loans can be structured up to 90% Loan to Value (with new LIHTC); or 80% LTV for refinanced projects



# Forward Loans

## UNFUNDED FORWARD COMMITMENT LOAN PRODUCT

- Used with properties that have a separate construction loan. Our forward commitment can run from 6 to 30 months.
- DSC – 1.15; LTV – 90%
- Refundable Deposit of 2% required
- Cinnaire issues a Forward Commitment to the Borrower
- Commitment can be converted to a Permanent Loan after construction, lease-up and stabilization. Property needs to have 90% occupancy for 3 consecutive months and show sufficient income to support the loan at the underwritten debt service coverage

# FHA 221 (d) (4) : New Construction/Significant Rehab

**Targeting:** Affordable and Market Rate New Construction or Substantial Rehab

**Origination/Funding and Servicing:**

- Underwriting and Origination performed by Cinnaire Lending
- Funding and Servicing by Love Funding

**Uses:** Construction-to-Permanent Lending that typically pairs well on larger developments with Section 8 or RAD Contracts

**Terms:**

- Construction through Perm, Fully Amortizing Loan
- Loan term is lesser of 40 years or 75% useful life
- DSC – 1.11; LTV – 90%
- Non-recourse and Assumable (with HUD's consent)

# FHA 223 (f) : Refinancing

**Targeting:** Affordable and Market Rate Refinancing

**Origination/Funding and Servicing:**

- Underwriting and Origination performed by Cinnaire Lending
- Funding and Servicing by Love Funding

**Uses:** Refinancing that typically pairs well on larger developments with Section 8 or RAD Contracts

**Terms:**

- Construction through Perm, Fully Amortizing Loan
- Loan term is lesser of 35 years or 75% useful life
- DSC – 1.15; LTV – 90%
- Non-recourse and Assumable provided HUD consent

# Affordable Housing Program

Federal Home Loan Bank of Chicago



# General Facts about Cinnaire's AHP

The AHP Grant Award Program is a pass through of subsidy from the Member to the Sponsor (usually the developer or co-developer) who then uses that subsidy towards “buying it, building it or rehabilitating it.”

- Cinnaire Lending Corporation “CLC” is a member of the Federal Home Loan Bank Chicago “FHLBC”.
- CLC became a member in 2015
  - In 2015, three CLC projects were awarded AHP
  - In 2016, seven CLC projects were awarded AHP
  - In 2017, nine CLC projects were submitted and are under review

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# WHO? WHAT? WHEN? WHERE? WHY? HOW?

- **Who can access our AHP program?** Any General Partner we are working with on a LIHTC Equity investment
- **What can AHP be used for?** To purchase, build or rehab a LIHTC property
- **When should AHP be explored?** Chicago FHLB's AHP round opens in mid-May and closes in Mid-June.
- **Where can our AHP be used?** Projects located in Illinois, Wisconsin and Michigan
- **Why use AHP?** It can fill funding gaps on LIHTC projects where Cinnaire is the Equity Provider
- **How do you apply?** Talk to your Business Development contact and provide information about your project.

# Contact Information

**For more information or potential deals please contact**

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