



Equitable Developers Fund

Term Sheet

The Massachusetts' Equitable Developers Fund (EDF) was established and funded by the Commonwealth of Massachusetts to provide emerging developers early-stage capital and on-going support to build capacity and to develop project pipelines. Through a partnership with MassHousing and Massachusetts Housing Investment Corporation (MHIC), the fund offers two financing products designed to break down traditional barriers of entry into the real estate development and advancement in the business world.

Equitable Developers Fund Products

Working Capital Lines of Credit: working capital; minimum equity requirements; project specific due diligence expenses; capital for staffing; and leasing and other operating expenses.

- 5% interest rate
- Interest capitalized until maturity or Interest-only
- 12 – 36 months
- No prepayment penalty
- Revolving

Standby Letter of Credit - Balance sheet support backing construction completion guarantees, operating deficit guarantees, and bonding requirements.

- 2% annual unused facility fee
- variable Prime Rate mins 50 bps
- as published in the Money Rate Section of *The Wall Street Journal* on outstanding balance
- Interest-only until maturity
- 36 months
- No prepayment penalty
- functions as a revolving line of credit once called, advances capped at the SLOC amount, interest paid monthly
- If outstanding balance is not fully repaid at maturity, the loan may convert to a 5-year amortizing loan with principal and interest due monthly

Fees:

- \$10,000 per EDF lending product
- Developer Entity to pay all legal and 3rd party costs
- Payment of the above fees are allowable uses of EDF loan proceeds

Security and Guarantees:

- Unlimited, joint and several guarantee(s) of any individual with ownership interest in or has influence on the operations of the developer entity.

Developers receiving EDF loans that may have a specific need for assistance in scaling up the capacity of their organizations to successfully advance developments and, more generally, execute affordable housing or mixed-income projects in the Commonwealth, are also eligible for technical assistance through MassHousing. Final loan terms will be based on specific loan requests and underwriting criteria.

For detailed edibility requirements and to apply for a loan, please visit www.mhic.com/edf.