APPENDIX E

Sample Permanent Lender Letter of Intent (Private Financing)

(must be on lender's letterhead)

Attn: Low-Income Housing Tax Credit Program

The undersigned (Lender) hereby makes the following representations to induce the N.C. Housing Finance Agency to reserve to _____ (Applicant) Low-Income Housing Tax Credits for the development located at or to be located at _____, known as or to be known as _____, and consisting of or to consist of _____ units (Development):

1. The Lender has issued a letter of intent (Letter) to Applicant to provide permanent financing in the amount not to exceed $_____ (the Loan amount).
2. The Letter does not contain any conditions which are not customary and reasonable for loans of this nature and amount and which are not reasonably expected by the Lender to be met at the time of loan funding.
3. The loan, if made, shall have a term of at least _____ years, at a fixed interest rate of _____ % or shall be indexed to _____, which is at a current rate of _____ %. There shall be no balloon payments due for at least 15 years.
4. The amortization period of the loan shall be _____.
5. The anticipated security interest of the Lender shall be (fee simple, leasehold) and a _____ position.
6. This Letter of intent shall be valid until _____.
7. The total amount of fees associated with permanent financing (i.e. origination) are $_____. The Lender understands that the Agency needs this information to determine the Development's eligible basis.

_____
Name of Lender

By: _____

Sample Permanent Lender Letter of Commitment (Public Financing)

(must be on lender's letterhead)

Attn: Low-Income Housing Tax Credit Program

The undersigned (Lender) hereby makes the following representations to induce the N.C. Housing Finance Agency to reserve to _____ (Applicant) Low-Income Housing Tax Credits for the development located at or to be located at _____, known as or to be known as _____, and consisting of or to consist of _____ units (Development):

1. The Lender has issued a letter of commitment (Letter) to Applicant to provide permanent financing in the amount not to exceed $_____ (the Loan amount).
2. The source of the funding will be _____ (HOME, Trust Fund, etc.).
3. The Letter does not contain any conditions which are not customary and reasonable for loans of this nature and amount and which are not reasonably expected by the Lender to be met at the time of loan funding.
4. The loan, if made, shall have a term of at least _____ years, at a fixed interest rate of _____%. There shall be no balloon payments due for at least 15 years.
5. The amortization period of the loan shall be _____.
6. The anticipated security interest of the Lender shall be (fee simple, leasehold) and a _____ position.
7. This Letter of commitment shall be valid until _____.
8. The total amount of fees associated with permanent financing (i.e. origination) are $_____. The Lender understands that the Agency needs this information to determine the Development's eligible basis.

_____
Name of Lender

By: _____