

# LOW INCOME HOUSING TAX CREDIT INVESTMENTS



## PROPERTIES

- Newly constructed or substantially rehabilitated apartments for families or the elderly in stable or improving markets generating 4% or 9% low income housing tax credits ("LIHTC"), including mixed income developments containing no more than 25% market rate units, historic/LIHTC and Rental Assistance Demonstration ("RAD") developments.

## MINIMUM EQUITY

- \$3 million.

## PRICES

- Competitive pricing based on the timing of the capital contributions, benefit delivery and size of the transaction.

## CAPITAL CONTRIBUTIONS

- Equity pay-ins will be structured to match the funding needs of the development.

## CONSTRUCTION FINANCING

- Construction and bridge financing, along with letters of credit, are available with competitive terms and will be underwritten by PNC Real Estate through a single point of contact.

## PERMANENT FINANCING

- Our various construction and permanent loan programs are designed specifically for the affordable housing community and can be customized to fit the circumstances of a transaction. We also specialize in a wide variety of federal and private financing products, to help you find the right solution for your needs.

## CLOSING

- Closing can occur within 60 days after the receipt of all due diligence documentation.

## THIRD PARTY REPORTS

- PNC Real Estate will be responsible for the engagement and cost of third-party reports, including but not limited to a market study, review of the environmental reports and a construction analysis. All reports may be shared by us and our affiliates, successors and/or assigns.

## PRE-DEVELOPMENT FUNDING PROGRAM

- Pre-development funding may be available for projects that have received an allocation of LIHTCs and have executed a letter of intent with PNC Real Estate. Generally, there is a fixed fee of \$4,000 – \$5,000 and funding costs of prime rate plus 2%.

## TAX OPINION

- PNC Real Estate's legal counsel will provide the tax opinion at no cost to the development.

## UNDERWRITING GUIDELINES

- Market Advantage — At least a 10% rental advantage to comparable market rate developments in the primary market area.
- Debt Service Coverage — A minimum debt service coverage ratio of 1.15 to 1 with the interest rate fixed on or before closing. Variable rate financing will be considered if a cap is in place for a term at least equal to the remaining tax credit compliance period. We also offer access to interest rate derivative products through PNC Capital Markets LLC.
- Replacement Reserves — A minimum of \$250 per unit per year for new construction and \$300 for substantial rehabilitations.

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## GUARANTEES

- Provided by General Partner and will include construction completion, tax credit adjuster, operating deficit, recapture and repurchase guarantees. The duration and amount are determined based on the project due diligence and are generally consistent with market terms.



### READY TO HELP

PNC Real Estate is a leading provider of banking, financing and servicing solutions for commercial real estate clients across the country. Our comprehensive array of capabilities includes acquisition, construction and permanent financing for public and private developers and investors; agency financing for multifamily and seniors housing properties; and debt and equity capital for the affordable housing industry. And, through Midland Loan Services, we provide third-party loan servicing, asset management and technology solutions. Learn more at [www.pnc.com/realestate](http://www.pnc.com/realestate).



This outline contains the current general parameters of the equity investment and lending programs. The programs contain additional details and requirements that are not included in the summary. All program requirements, parameters and underwriting criteria are subject to change without notice. Nothing contained herein is intended to be, nor should it be construed as, a commitment to invest or to lend on these or any other terms.

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PNC Bank, National Association ("PNC Bank"), and certain of its affiliates, including PNC TC, LLC, an SEC-registered investment advisor wholly-owned by PNC Bank, do business as PNC Real Estate. PNC Real Estate provides commercial real estate financing and related services. Through its Tax Credit Solutions segment, PNC Real Estate provides lending services, equity investments and equity investment services relating to Low Income Housing Tax Credit ("LIHTC"), affordable housing preservation, New Markets Tax Credit ("NMTC"), and Historic Tax Credit ("HTC") investments. PNC TC, LLC provides investment advisory services to funds sponsored by PNC Real Estate for LIHTC and affordable housing preservation investments. Registration with the SEC does not imply a certain level of skill or training. This material does not constitute an offer to sell or a solicitation of an offer to buy any investment product. Risks of each fund, as well as information regarding the investments, risks, and expenses of each fund, are described in the funds' private placement memorandum ("PPM") or other offering documents. Please read the PPM and offering documents carefully before investing with PNC Bank.

**Important Investor Information: Securities, insurance, foreign exchange, and derivative products are:**  
**Not FDIC Insured • Not Bank Guaranteed • Not A Deposit**  
**Not Insured By Any Federal Government Agency • May Lose Value**

Lending, leasing and equity products and services, as well as certain other banking products and services, require credit approval.

PNC does not provide legal, tax or accounting advice unless, with respect to tax advice, PNC Bank has entered into a written tax services agreement.

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