

Senior Blended Loan



LISC's Greenhouse Gas Reduction Fund (GGRF) award seeks to enable investments that will decarbonize community development projects. When possible, LISC seeks to pair this specialized capital with our long-term loan fund capital to maximize our financing for projects that reduce or avoid greenhouse gas emissions.

Key Project Requirements	<p>Meets the Building Performance Standard requirements of Existing Building Renovations or New Construction Category 1, 2, or 3 (see attached).</p> <p>The greenhouse gas reducing scope of work is expected to be larger for Category 2 and Category 3 projects and these projects will support more GGRF financing.</p> <p>Financing of construction activities will trigger Davis-Bacon and Related Acts compliance requirements. Some project types may trigger Build America Buy America requirements.</p>
Project Types	Multifamily affordable housing, mixed use, charter schools, community facilities
Eligible Costs	Hard and soft costs associated with the scope of work that reduces or avoids greenhouse gas emissions
Loan Type	Construction; Construction converting to Permanent; Permanent
Interest Rate	Subject to market rates, subsidized with GGRF funds, with lower rates available for higher impact projects
Collateral	First priority lien on real estate
Term	3–10 years (shorter term for construction only loans)
Amortization / Repayment	<p>Construction-only: Interest only; repayment from permanent financing</p> <p>Construction to Permanent: Interest only during construction period; amortizing principal and interest payments upon conversion, amortization schedule up to 35 years; balloon repayment at maturity, unless fully amortizing</p> <p>Permanent: Amortizing principal and interest payments, amortization schedule up to 35 years; balloon repayment at maturity</p>
Loan-to-Value	Up to 100%
Debt Service Coverage Ratio	Minimum 1.15x; minimum 1.05x for all must-pay debt, if applicable
Guarantees	<p>During Construction Period: Guaranty from corporate sponsor; Personal Guarantees from for-profit owners of 20% or more of Project. All guarantees joint and several.</p> <p>Upon Stabilization: Guaranty limited to bad acts after Project demonstrates stabilized operations for six consecutive months</p>
Diligence Requirements	<p>Third-party reports modeling the reduction in greenhouse gas emissions.</p> <p>Standard due diligence for real estate secured construction financing: appraisal, environmental site assessment(s), capital needs assessment, plan and cost review, construction inspector, payment and performance bond, title insurance, survey.</p> <p>Ongoing reporting requirements to be determined</p>
Loan Fees	Up to 1.5% of loan amount plus legal fees

Subordinate Loan



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Key Project Requirements	<p>Meets the Building Performance Standard requirements of Existing Building Renovations or New Construction Category 1, 2, or 3 (see attached).</p> <p>Loan proceeds will be limited to filling project financing gaps based on Eligible Costs (see below).</p> <p>The greenhouse gas reducing scope of work is expected to be larger for Category 2 and Category 3 projects and these projects will support more GGRF financing.</p> <p>Financing of construction activities will trigger Davis-Bacon and Related Acts compliance requirements. Some project types may trigger Build America Buy America requirements.</p>
Project Types	Multifamily affordable housing, mixed use, charter schools, community facilities
Eligible Costs	Hard and soft costs associated with the scope of work that reduces or avoids greenhouse gas emissions
Loan Type	Construction converting to Permanent; Permanent
Interest Rate	Up to 3%, lower rates within the range available for higher impact projects
Collateral	Subordinate lien on real estate
Term	Flexible, with maturity tied to terms of other sources in capital stack
Amortization / Repayment	<p>Flexible based on review of project cash flows and intercreditor negotiation.</p> <p>Generally expected to include must pay interest only; amortizing principal and interest payments when possible; cash flow contingent principal payments if necessary. Balloon repayment at maturity, with the opportunity for rolling over the loan at future capital event, if needed</p>
Loan-to-Value	N/A
Debt Service Coverage Ratio	Minimum 1.05x for all must pay debt
Guarantees	Limited recourse guaranty for bad acts from corporate sponsor and/or individual sponsor
Diligence Requirements	<p>Third-party reports modeling the reduction in greenhouse gas emissions.</p> <p>Standard due diligence for real estate secured construction financing: appraisal, environmental site assessment(s), capital needs assessment, plan and cost review, construction inspector, payment and performance bond, title insurance, survey.</p> <p>Ongoing reporting requirements to be determined.</p>
Loan Fees	Up to 1.5% of loan amount plus legal fees

Other Products



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	Bridge Loan	Solar Energy Loan
Purpose	Provide a bridge to tax credit equity, rebates, or grant subsidies that become available upon installation/completion.	Construction to permanent financing for solar energy improvements and/or installation of solar energy.
Eligible Costs	Hard and soft costs associated with the scope of work that reduces greenhouse gas emissions.	Residential rooftop solar systems, carport solar systems, ground-mounted solar, storage, fuel cells, and enabling upgrades, including interconnection expenses.
Project Requirements	Financing of construction activities will trigger Davis-Bacon and Related Acts compliance requirements. Some forms of financing may trigger Build America Buy America requirements.	
Interest Rate	Up to 3%, with potential for preferred rates for higher impact projects	Up to 4%, with potential for preferred rates for higher impact projects
Collateral	Senior lien on and/or assignment of bridged sources. Possible lien on equipment being financed and/or subordinate lien on project real estate.	Senior lien on equipment and, if applicable, assignment of Power Purchase Agreement (PPAs); Energy Service Agreements; SREC sale contracts; Engineering Performance Guarantees, Production Insurance
Term	1-3 years	15-25 years
Amortization / Repayment	Interest-only; repayment upon receipt of bridged source	Interest only during the construction period; amortizing principal and interest payments once placed in service, amortization schedule up to 25 years; balloon repayment at maturity, unless fully amortizing
Loan-to-Value / Advance Rate	Advance rate up to 100%	Up to 100%
Debt Service Coverage Ratio	N/A	Minimum 1.10x
Guarantees	Guaranty from corporate sponsor; Personal Guarantees from for-profit owners of 20% or more of Project. All guarantees joint and several.	
Diligence Requirements	To be determined for these products.	
Loan Fees	Up to 1.5% of loan amount plus legal fees	

Building Performance Standards

	Existing Building Renovations	New Construction
Category 1	<p>Energy Efficiency Rehab Loan <small>QUALIFIED PROJECT</small></p> <ul style="list-style-type: none"> 20% improvement in energy performance compared to pre-rehabilitation No new or replacement systems may be powered by fossil fuels 	<p>Green New Construction Loan <small>QUALIFIED PROJECT</small></p> <p>Certification to Enterprise Green Communities*, including:</p> <ul style="list-style-type: none"> Certification to ENERGY STAR Residential New Construction Program All electric**
Category 2	<p>Net-Zero Over Time Loan <small>PRIORITY PROJECT</small></p> <p>Certification to Enterprise Green Communities Zero Carbon Over Time*, including:</p> <ul style="list-style-type: none"> 30% improvement in energy performance compared to pre-rehab All electric** Pathway to zero Scope 2 emissions over time 	<p>Green Plus New Construction Loan <small>QUALIFIED PROJECT</small></p> <p>Certification to Enterprise Green Communities Certification Plus*, including:</p> <ul style="list-style-type: none"> Certification to DOE ZERH, PHI Classic, or PHIUS All electric**
Category 3	<p>Net-Zero Rehab Loan <small>PRIORITY PROJECT</small></p> <p>Certification to Enterprise Green Communities Plus* as well as compliant with National Zero Emissions Building Definition, including:</p> <ul style="list-style-type: none"> Energy performance verified as within the top 25% most efficient buildings in the market with similar use, based on measured whole-building energy use All electric** Install and/or procure carbon-free energy sources which in sum will produce as much or more energy in a given year than the project is modeled to consume 	<p>Net-Zero New Construction Loan <small>PRIORITY PROJECT</small></p> <p>Certification to Enterprise Green Communities Certification Plus* as well as compliant with National Zero Emissions Building Definition, including:</p> <ul style="list-style-type: none"> Certification to DOE ZERH, PHI, or PHIUS All electric** Install and/or procure carbon-free energy sources which in sum will produce as much or more energy in a given year than the project is modeled to consume

*Or equivalent standard, to be defined

**Exceptions for backup power sources and domestic hot water systems for buildings over 7 stories