

PRESERVATION

National Equity Fund, Inc. (NEF), is a leading non-profit, multi-family, affordable, real estate investment manager with a mission to create and deliver innovative, collaborative financial solutions to expand the creation and preservation of affordable housing.

Through its Low-Income Housing Tax Credit (LIHTC) syndication, lending, and investing platforms, NEF has invested over \$22.7 billion since 1987, representing 231,500 new affordable homes for individuals, families, and communities in need nationwide.



National Equity Fund is committed to preserving existing affordable housing throughout the country. We have joined forces with our investors applying our **extensive experience** and **innovative thinking** to create a suite of products focused on providing financing and equity to assist our partners with the acquisition and recapitalization of projects to maintain long-term affordability for its residents.

FINANCING SOLUTIONS

Our preservation products provide capital investments in affordable housing projects including ones near or beyond the end of their initial tax credit compliance period as well as affordable housing properties that operate under HUD Section 8 and various other federal programs.

Our debt and equity products offer project financing in the form of equity or first mortgage debt, enabling prospective partners to acquire or gain control of qualified properties. The financing can be used to bridge the period from the final years of the tax credit compliance period to post-compliance project refinancing or re-syndication, or to provide short-term financing allowing for a long-term recapitalization of non-tax credit affordable housing. Please review the term sheet for additional details and requirements for NEF's preservation debt and equity products.

There are many applications for the preservation products, but essentially they can be used to:

- Acquire affordable housing projects
- Pay off an existing first mortgage
- Buy out existing limited partners
- Invest in minor capital improvements to increase marketability

Our professionals are committed to excellence and providing our partners with everything they need to succeed.

If you are interested in learning more, please contact:

PRESERVATION PRODUCTS

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NATIONAL EQUITY FUND, INC.

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ELIGIBLE SPONSORS	Multifamily housing developers with substantial prior experience and demonstrated track record of developing, owning or operating multifamily properties.
USES OF FUNDS	Acquisition of existing multifamily affordable housing properties.
AFFORDABILITY TERM	Length of loan investment or Land Use Restriction Agreement (LURA), whichever is greater.
ELIGIBLE PROJECTS	Existing multifamily affordable housing properties including ones near or beyond the end of their tax credit compliance period and those that operate under HUD Section 8 and various other federal programs.

DEBT

EQUITY

INVESTMENT SIZE	Typically \$8-\$50M; larger loan amounts will be considered.	Typically \$8-\$15M; larger investment amounts will be considered.
INVESTMENT TERMS	Up to 5 Years	5-7 Years
LOAN-TO-VALUE	Up to 98% Loan-to-Cost	N/A
COST OF FUNDS	Contact National Equity Fund for information regarding rates. Required interest payments, remaining payments from residual cashflows.	Please contact National Equity Fund for information regarding target return.
SPONSOR CO-INVESTMENT	The sponsor will be responsible for investing a minimum of 2-3% total costs as equity.	The sponsor will be responsible for investment a minimum of 10-20% of the total equity required.
OWNERSHIP STRUCTURE	Debt will be secured in a first lien position.	The sponsor and NEF will purchase the property on a joint venture basis. The ownership entity created will be subject to an Operating Agreement, which will delineate roles and responsibilities.
ALLOWABLE DEBT	Subordinated debt permitted in special circumstances.	Up to 75% LTV on the first mortgage, subordinated debt permitted up to 85% LTV.
DUE DILIGENCE	The following due diligence is required for NEF to assess a project investment:	
	<ul style="list-style-type: none"> - Acquisition and operating budget - Three years financial statements and trailing 12 months - Current rent roll - Appraisal if available 	

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