



Financing Criteria & Terms for Cooperative Housing Corporations

Eligible Borrowers: Residential Housing Cooperative Corporations

General Underwriting Guidelines

The following are general underwriting guidelines that NCB will utilize to evaluate your cooperative for financing:

- ▶ Minimum Loan Amount = \$100,000* Maximum Loan Amount = None
- ▶ Membership assessment delinquencies of 30 days or more should not exceed five percent (5%) of the budgeted gross annual income of the cooperative.
- ▶ Replacement reserves should be equal to or greater than ten percent (10%) of the budgeted gross annual income of the cooperative.
- ▶ For corporations located in areas prone to earthquakes or within specific flood zones, relevant insurance coverage will be required.

Loan Products

Loan proceeds can be used to refinance existing debt, as well as fund replacement reserves and/or anticipated capital improvements. NCB's financial products include:

- ▶ First and second mortgages
- ▶ Lines of credit

Loan Amortization: Fixed rate products up to 30 years. Amortization up to Interest Only.

Interest Rates: NCB offers both fixed rate and adjustable rate financing.

Fixed Rates: Subject to completion of our underwriting review the cooperative may qualify for a up to 30-year fixed rate loan priced at U.S. Treasury Securities of 10-year maturity plus a market spread. Pricing depends on credit quality.

Adjustable Rates: The interest rate adjusts on the third or fifth anniversary of the loan term, with the initial rate equal to the current weekly average yield for U.S. Treasury Securities with a three- or five-year maturity plus a market spread. For the line of credit, will adjust monthly at the Bloomberg Prime Rate of Interest ("PRIME") plus a market spread.

Borrower Paid Fees and Expenses

- ▶ Application fee equal to NCB's underwriting costs
- ▶ Closing expenses
- ▶ All recordation, legal, and closing expenses

Contact NCB

For immediate consideration, complete NCB's prequalification worksheet.

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