Rental Loan Program
Financing for 2027 State Ceiling LIHTC Projects and
Tax-exempt Bond Projects with State Low Income Housing Tax Credits

MaineHousing is making non-tax-exempt bond funded interest-bearing debt and 0% interest deferred debt available under the Rental Loan Program (the "Program") to finance affordable multi-family rental housing that is awarded federal low-income housing tax credits (LIHTC) from the State Ceiling of LIHTC allocated pursuant to the State's 2027-2028 Qualified Allocation Plan (2027 State Ceiling). Additionally, MaineHousing is making both tax-exempt bond funded interest-bearing debt and 0% interest deferred debt available to finance the creation of new affordable multi-family rental housing that utilizes the "automatic" federal low-income housing tax credits (LIHTC) and State LIHTC allocated pursuant to the Chapter 35 of MaineHousing's Rules, *State Low-Income Housing Tax Credit* (SLIHTC).

The sources of funding for any 0% interest deferred debt awarded under this Program will include one or more of the following resources, as determined by MaineHousing:

- Federal funds for housing pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, 42 USC § 12701 *et seq.*, and the HOME Investment Partnerships Program Rule, 24 CFR Part 92, all as amended, (FedHOME Funds)

- FedHOME Funds that are set aside for housing that is owned, sponsored or developed by a community housing development organization (CHDO)

- National Housing Trust Funding pursuant to The Housing and Economic Recovery Act of 2008 (HERA) and 24 CFR Parts 91 and 93: Housing Trust Fund

- Other sources that may be available, such as funding from the Housing Opportunities for Maine Program (State HOME Funds) or funding from the proceeds to tax-exempt or non-tax-exempt bonds

Any 0% interest deferred debt awarded under this Program will not exceed the lesser of (i) $65,000 per LIHTC-eligible unit in York, Cumberland and Sagadahoc Counties, (ii) $70,000 per LIHTC-eligible unit in Androscoggin, Hancock, Kennebec, Knox and Lincoln Counties and Bangor HMFA, (iii) $75,000 per LIHTC-eligible unit in any other county, or (iv) a maximum of $3,000,000 per project.

Projects that are eligible for federal and state historic rehabilitation tax credits are not eligible for 0% interest-deferred debt under this Program because these tax credits generate sufficient capital to pay for a reasonably priced Project. However, should financial markets experience a significant change which decreases the total capital available to a historic Project, MaineHousing, in its sole discretion,

may award 0% interest deferred debt to the Project up to an amount which fills the resulting funding gap, subject to the limits of this Program.

Applicants applying to develop new housing under the 2027-2028 QAP and financing under this Program must accept either credit from the State Ceiling with non-tax-exempt bond funded debt or tax-exempt financing combined with "automatic' federal credit and SLIHTC. Applications will be ranked according to the 2027-2028 QAP scoring criteria. MaineHousing will make awards to the highest scoring applicants that also meet the criteria of this Program. MaineHousing will determine whether a project will be awarded credit from the State Ceiling with non-tax-exempt bond funded debt or tax-exempt bond financing combined with "automatic' federal credit and SLIHTC. In making the determination, MaineHousing will use the following guidelines:

- tax-exempt bond financing combined with "automatic' federal credit and SLIHTC will be awarded to take advantage of the 130% basis boost and to comply with the SLIHTC rule
- projects remaining after MaineHousing has allocated the State Ceiling will be re-prioritized such that projects eligible for the 130% boost are funded first

In addition, MaineHousing will use the following guidelines in determining the amount of 0% interest deferred debt awarded to an eligible Project under this Program, which may be different than the amount requested in the Application for the Project.

- The goal of this Program is to produce the largest number of new LIHTC units with available resources. With continuing uncertainty about LIHTC pricing, MaineHousing may adjust the amount of the 2027 State Ceiling and 0% interest deferred payment debt awarded to a project from that requested by the Applicant (such as using more 0% interest deferred payment debt to reduce the amount of LIHTC) to achieve this goal while ensuring the financial feasibility of projects within the parameters of the Program and the 2027-2028 Qualified Allocation Plan.

  Any 0% interest deferred debt awarded to a Project will not exceed the amount that MaineHousing determines, in its sole discretion, is necessary for the feasibility and long-term viability of the Project taking into consideration the other resources available for the Project.

- MaineHousing expects the Applicant to maximize all other sources of funding available for the Project, including without limitation, capital generated from the LIHTC, other subsidy financing, and rental or operating assistance.

- MaineHousing will maximize the amount of interest-bearing debt awarded to a Project based on its review of the Project's operating budget.

- All rental revenue of the Project will be applied toward real estate operating costs, debt service and the funding of required reserves prior to the funding of service expenses.

- MaineHousing will use the maximum LIHTC rent for LIHTC-eligible units, except in LIHTC-eligible three-bedroom units in family Projects and except in Projects for which an independent market study acceptable to MaineHousing indicates that the comparable market rents for the Project are less than the applicable maximum LIHTC rents. MaineHousing is willing to underwrite three or more bedroom LIHTC-eligible units in family Projects at the maximum

tax credit rent for two-bedroom units plus $50 per additional bedroom.

- Applicants that propose affordability targeting that is deeper than the minimum affordability required under this Program must demonstrate other non-MaineHousing resources to support the deeper affordability and ensure feasibility.

- If a Project is underwritten at rents that are less than the maximum rent allowed, the Project will be obligated to maintain these lower rents during the term of the MaineHousing funding.

To be eligible for 0% interest deferred debt under this Program, an Applicant must first receive all interest-bearing debt that MaineHousing determines the Project can support from MaineHousing under this Program, except to the extent the Project has financing under the Federal Home Loan Bank's Affordable Housing Program or Rural Development's Section 515 Program. In these instances, MaineHousing requires the lender providing the financing to enter into an intercreditor agreement that subordinates the lender's debt financing and lien position to MaineHousing's Extended Use Agreement and defines the relative rights of the lender and MaineHousing in the event of a default. If the lender's financing shares a lien priority position with MaineHousing's funding, MaineHousing will require, at a minimum, written notice of and an opportunity to cure any default of the lender's financing. If the lender's financing is junior to MaineHousing's funding, MaineHousing will require the lender to subordinate its financing and security interest and to forbear from exercising its right to collect against the project and/or collateral.

Program Requirements

Eligible Project:	• All Projects applying for the 2027 State Ceiling are eligible to apply for funding under this Program, except applications for more than one project on a single site or contiguous sites.
Required Affordability:	• 60% of the LIHTC-eligible units at 50% AMI; balance at 60% AMI and/or market. • All LIHTC-eligible units will be rent-restricted in accordance with Section 42 of the Code • Term of affordability is 45 years.
Construction Financing Terms for Tax-Exempt LIHTC Projects:	• 4.5% interest rate per year plus a 1.75-point origination fee on the construction loan, subject to change based on market conditions at the time the tax-exempt facility bonds are issued. Must be secured by a first lien mortgage and security interest in the Project and related personal property. Repayment will not be allowed until construction completion. The Project must meet the 25% test for tax-exempt bonds.

- MaineHousing will provide all the construction period financing, except in instances where the applicant is using the Affordable Housing Program from the Federal Home Loan Bank and the member bank needs to participate with MaineHousing in the construction loan pursuant to a competitive scoring selection process.

Interest-bearing Debt Terms:

- 6% interest rate per annum plus a 2-point origination fee for non-tax-exempt bond-funded debt, subject to change based on market conditions at the time of financing approval.

- 6% interest rate per annum for tax-exempt bond financing, subject to change based on market conditions at the time of financing approval. No additional origination fee is required.

- Interest only payments for 30 years with a final balloon payment of all amounts owed due at the end of 30 years, or at the Applicant's option, beginning in year 16 converting to an amortizing loan with a final balloon payment of all amounts owed due at the end of 30 years.

- For projects with existing MaineHousing debt, if the existing debt is subject to a pre-payment blackout, then the maturity date of the note will be extended, but the interest rate and terms will remain the same, unless the existing rate is below the rate noted above. If it is below the above rate, the rate will be increased to the above rate. If the existing note is not subject to a blackout, and is not pre-paid, the interest rate and terms will be the rate and terms noted above.

- Secured by a first-lien mortgage and security interest in the Project and related personal property.

- Prepayment prohibited during the term of the financing.

0% Interest Deferred Debt Terms:

- No interest deferred payment financing with payment due on the earliest of (a) 30 years, (b) a sale, transfer, or assignment of the Project, (c) the discontinuation of the intended public purpose, or (d) a default of any MaineHousing financing on the Project.

- Secured by a mortgage and security interest in the Project and related personal property, the priority of which will be determined on a project-by-project basis depending on the

funding source. Bond-related resources must be secured by a first lien mortgage and security interest in the Project and related personal property.

- Prepayment prohibited during the term of the financing.

- For projects with market rate units and/or commercial space, if more 0% interest deferred payment debt is needed for the LIHTC units to support the development costs of the market rate units and/or commercial space, as determined by MaineHousing, then the 0% interest deferred payment debt will be structured as a surplus cash note under which any available surplus cash (after replenishing any deficit in the Project's operating deficit escrow as required under the Rental Loan Program) will be split as follows: $500 per unit plus 75% of the remaining amount of surplus cash will be distributed to the owner, and the balance will be used to repay the 0% interest deferred payment debt to MaineHousing.

- For projects awarded credit from the 2027 State Ceiling, 50% of the 0% interest deferred debt will be available during construction and for tax-exempt bond/SLIHTC, projects the amount of any 0% deferred debt available during construction will be based on MaineHousing's determination of the amount of new bonds needed to satisfy the 25% test for qualifying for the 4% credits. In both instances, an amount up to the balance, as determined by MaineHousing in its sole discretion based on the final cost of the Project, will be disbursed after completion of construction or rehabilitation of the Project.

Total Development Costs:

- The Threshold Requirements of the 2027-2028 Qualified Allocation Plan related to TDC using the TDC Index apply to this offering.

Net Developer Fee:

- The amount of Developer Fee not deferred may not exceed $750,000 plus any incentive fee earned by the Applicant upon completion.

Construction Cost Increases:

- If the construction costs of a Project increase after the date of the application due to market conditions or other reasons beyond the control of the Applicant, MaineHousing may award additional resources to the Project, provided that any additional Deferred Debt (a) when combined with the equity generated by any additional LIHTC awarded under the QAP, will not exceed an amount equal to 5% of the Total Construction Cost for the Project estimated at the

time construction bids on the Project are requested, and (b) does not exceed the Deferred Debt limits set forth above.

Cost Savings:

- Any reduction in actual costs versus budgeted costs, as determined by MaineHousing, shall thenbe shared equally between the Developer as an incentive developer fee up to the maximum gross Developer Fee allowable and MaineHousing, which will either reduce the amount of cash subsidy or the amount of Low-Income Housing Tax Credits.

Applicants must comply with all restrictions of the funding sources awarded to the Applicants and all of the requirements of the following guidelines and rules not specifically addressed in this Program: MaineHousing's Rental Loan Program Guide dated September, 2026; Chapter 16 of MaineHousing's Rules, *Low-Income Housing Tax Credit*, (2027-2028 Qualified Allocation Plan); Chapter 27 of MaineHousing's Rules, *Transfers of Ownership Interests*; Chapter 29 of MaineHousing's Rules, *Multifamily Development and Supportive Housing Loans and Grants,* and Chapter 35 of MaineHousing's Rules, *State Low-Income Housing Tax Credit*. These guidelines and rules can be found on MaineHousing's website Welcome to MaineHousing.org All capitalized terms not otherwise defined
herein have the same meaning as set forth in the 2027-2028 Qualified Allocation Plan.

Build America, Buy America Act (BABA) The Build America, Buy America Act (BABA) requires that all iron, steel, manufactured products, and construction materials used for federally funded infrastructure projects are produced in the United States, unless otherwise exempt or subject to an approved waiver. This requirement is known as the "Buy America Preference (BAP)" and the specific requirements are codified in 2 CFR Part 184. For more information: https://www.hudexchange.info/resource/6952/baba-quick-guide-rhp/

Submission Requirements

There is a single application process for financing under this Program and for LIHTC under the 2027 State Ceiling. The Application must be in the form prescribed by MaineHousing for this Program. The Application must be completed and submitted, together with all supporting documentation, electronically to MaineHousing's ShareFile **on Thursday September 17, 2026**.

MaineHousing will review all Applications for completeness, eligibility and feasibility. Applications that MaineHousing determines are not complete, eligible or feasible will be rejected, and the Applicant will be notified of the deficiencies.

MaineHousing reserves the right to award all, a portion, or none of the available funding under this Program depending on the quality and merits of the Applications received and the availability of funding.

Please call Kelly Purington, Multifamily Underwriting Manager of the Development Department, at (207) 626-4642 if you need information on how to access MaineHousing's ShareFile or have any other questions.

MaineHousing's Nondiscrimination Policy

Maine State Housing Authority ("Maine Housing") does not discriminate on the basis of protected classes under applicable federal and state nondiscrimination laws in the admission or access to, or treatment in, its programs and activities and employment. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Kelley Stonebraker, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330, Telephone Number 1-800- 452-4668 (voice in state only), (207) 626-4600 (voice), Maine Relay 711, or equalaccess@mainehousing.org.