



Multifamily Loans COVID-19 Forbearance Guidance

<p>General</p>	<p>This Guidance explains the measures we recommend for addressing shortfalls in development revenues and the circumstances under which we will document a financial hardship related to COVID-19 and initiate a forbearance for Florida Housing Finance Corporation (Florida Housing) loans. The COVID-19 pandemic threatens the health and safety of the residents we all serve, and our mutual priority is allowing residents to stay safer at home. We know that rental revenues are likely to decline as a result of the crisis. We appreciate your patience through this time, and we remain committed to helping you maintain the long-term financial health of your developments during this time.</p> <p style="text-align: right;"><i>(5/5/20)</i></p>
<p>Measures to Address Financial Shortfalls</p>	<p>Florida Housing’s Servicers are authorized to provide up to 90 days (3 consecutive monthly payments) suspension of deposits to replacement reserves if the debtor is able to document a COVID-19 related financial hardship. Florida Housing defines a hardship as 15% or more reduction in rent collections. However, before a Servicer can verify a COVID-19 related financial hardship and provide forbearance, other available related tools must be utilized to address temporary development level financial stress. We expect that financial resources will be accessed in the following sequence:</p> <ol style="list-style-type: none"> 1. Development Operating Accounts: Owners and management agents can use property operating accounts for all COVID-19 related preparedness and response actions without prior approval, and 2. Operating Reserve or Operating Deficit Reserve Accounts. <p style="text-align: right;"><i>(5/5/20)</i></p>

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<p>Process for Requesting Forbearance</p>	<p>If the measures described above are insufficient to mitigate a development’s financial stress caused by COVID-19, please contact your Servicer to document hardship and request forbearance as soon as you know you have a problem and no later than your payment due date. You may be asked for additional financial documentation. To date, Florida Housing has only received what appear to be form-type requests that are not tied to the specific development circumstances. To be considered for forbearance, formal requests citing specific circumstances and amounts must be submitted. Forbearance requests for 2020 SAIL interest should be submitted after invoices are received. There is currently no change in the due dates for submitting required documentation, including audited financial statements and SR-1 forms.</p> <p style="text-align: right;"><i>(5/5/20)</i></p>
<p>Deadline to Request Forbearance</p>	<p>Until August 31, 2020.</p> <p style="text-align: right;"><i>(5/5/20)</i></p>
<p>Other Eligibility Requirements</p>	<p>Loans must be current as of 3/31/20 (or paying as agreed under a workout agreement). Florida Housing’s Servicer will also consider current compliance status as well as each Borrower’s compliance history.</p> <p style="text-align: right;"><i>(5/5/20)</i></p>
<p>Amount Forborne</p>	<p>Deposits to replacement reserves may be forborne up to 90 days (3 consecutive monthly payments). Florida Housing’s Servicer will collect tax and insurance escrows as well as any servicing fees. Other workouts may be reviewed and approved on a case by case basis.</p> <p style="text-align: right;"><i>(5/5/20)</i></p>
<p>Borrower’s Post-Forbearance Payment “Catch-up”</p>	<p>The 90-day forbearance of deposits to the replacement reserves will be “caught-up” with the next evaluation and determination of the adequacy of the replacement reserves as prescribed by the loan documents. Any other workouts approved on a case by case basis, will generally be amortized for no longer than a two-year period and can be prepaid without penalty.</p> <p style="text-align: right;"><i>(5/5/20)</i></p>

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<p>Eviction Relief Provided</p>	<p>Borrower cannot initiate new evictions and must suspend all pending tenant evictions for nonpayment of rent for any reason for the longer of:</p> <ol style="list-style-type: none"> 1. the eviction moratorium in Sec. 4024 of the CARES Act (July 25, 2020 – which is 120 days after the March 27, 2020 enactment), 2. the term of actual payment forbearance (up to 90 days from the date of commencement of forbearance), 3. the 45-day eviction suspension in Executive Order 20-94 (May 17, 2020, unless extended), or 4. as otherwise required by applicable law. <p><i>Note: pursuant to the CARES Act, a Borrower may not issue a notice to vacate until the end of the respective eviction relief period and may not require a tenant to vacate the unit until 30 days after such notice.</i></p> <p style="text-align: right;"><i>(5/5/20)</i></p>
<p>Other Requirements</p>	<p>Borrower must enter into a form Forbearance Agreement, which can be signed electronically.</p> <p>No distributions from the property will be made to any partner or related affiliate during the forbearance period and for 4 months thereafter, provided Borrower is making monthly payment as agreed upon if in an approved workout agreement.</p> <p>Borrower agrees to suspend all increases in rent that impact existing tenants during the forbearance period.</p> <p>Borrower agrees to submit monthly reports to Servicer, as requested.</p> <p style="text-align: right;"><i>(5/5/20)</i></p>