



Rental Housing Development

Corporate Guarantee Policy

MassHousing requires loan security in the form of a construction and operating period letter of credit of cash equal to 6% of the mortgage amount. The loan security requirement may be satisfied with a letter of credit of at least 4% of the mortgage amount and a corporate guarantee of up to 2% of the mortgage amount.

The MassHousing Corporate Guarantee Policy requirements are listed below:

- The corporate guarantee in lieu of cash or letter of credit will be limited to 2% of the MassHousing loan.
- The guarantor must maintain liquid assets of at least three times the amount of the corporate guarantee after satisfying cash and collateral requirements to close.
- The amount of the guarantee must not exceed 5% of the guarantor's net worth.
- The guarantor must not be able to sell or transfer assets without MassHousing's Approval.

The corporate guarantor must submit audited fiscal-year financial statements to MassHousing to verify covenant compliance.