



PRESS RELEASE

Merchants Capital Provides Agency Funding for 165-unit Homeless Shelter in New York City

CARMEL, IN (Jun. 5, 2019) – Mortgage banking firm [Merchants Capital](#) has secured \$51 million in agency funding for a homeless shelter in the Crown Heights neighborhood of New York City on behalf of [Heights Advisors](#), a leading social impact investor, and [Samaritan Daytop Village](#) (SDV), a nationally-recognized human services organization.

The project – known as 267 Rogers - embodies an emerging model that New York City is utilizing to eradicate homelessness in the future. Through the [Freddie Mac](#) Affordable Housing Capital Markets Execution (CME) Loan Program, this transaction represented an opportunity for Merchants Capital and Freddie Mac to establish themselves as a key counterparty and partner in financing public-benefit multifamily buildings that serve residents most in need.

“It has been deeply gratifying to work on the deployment of capital on a project that allows homeless families to live in dignity,” said Mathew Wambua, executive vice president at Merchants Capital. “Projects like 267 Rogers allow the Merchants Capital team to be creative and innovative in solving problems and seeking new financial strategies and structures to solve those problems while serving an immediate need right here in our community.”

The property was effectively built as a 165-unit multifamily development under the typical 80/20 structure in New York City. This property is unique, however, in that rather than renting 80% of the units to market-rate tenants, they instead partnered with the [Department of Homeless Services](#) (DHS) and SDV to offer transitional housing to homeless families. Thus, the entire property offers affordable housing wherein, 80% of the units are reserved for transitional housing and the remaining 20% are set aside for families earning 60% of the area medium income (AMI) or below.

Through the partnership with SDV, the property is able to offer supportive services to all tenants, including employment and job readiness services, daily living workshops, and personal financial management, as well as education and child care assistance programs.

“It is a priority for us to contribute and be responsive to the communities we work within. We are excited to work with Steve Banks and the DHS staff to create fully-integrated, quality housing for families in need,” said Rachel Foster, principal and founder of Heights Advisors. “We greatly appreciate the financing the Merchants Capital team was able to provide. We look forward to continuing to work alongside the city and those in the private and nonprofit sector to bring new solutions to the housing crisis.”

In April 2016, Mayor de Blasio announced a major restructuring of the way homeless services in New York City are delivered, creating an integrated and streamlined management structure for DHS and the Human Resources Administration (HRA) under the commissioner of the Department of Social Services.

The Mayor's new anti-homelessness plan represents a paradigmatic shift from the way in which previous administrations have mobilized to combat chronic homelessness, transitioning out of the 360 scattered apartment sites and commercial hotel facilities and replacing them with approximately 90 new multifamily transitional housing shelters.

New York City plans to open approximately 20 new multifamily transitional housing shelters annually in the next five years to reach its goal of opening approximately 90 new shelters. 267 Rogers represents one of the first multifamily transitional housing shelters that has been developed as the cornerstone of the new mayoral plan.

To learn more about Merchants Capital and its services, visit www.merchantscapital.com or find Merchants Capital on [Facebook](#), [Twitter](#) and [LinkedIn](#).

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ABOUT MERCHANTS CAPITAL

Merchants Capital, formerly PR Mortgage & Investments (and RICHMAC Funding), is a multifamily, affordable, and healthcare lender offering a direct way to access fixed rate, long-term, non-recourse financing via its bank, Merchants Bank, all with a single point of contact. Merchants Capital strives to provide the best origination and service of its loan products with exceptional customer service, accuracy, creativity, speed and conformance to regulations. To learn more about Merchants Capital, visit www.merchantscapital.com.

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FORWARD LOOKING STATEMENTS

This press release contains forward-looking statements which reflect current views of Merchants Bancorp and its subsidiary, Merchants Capital Corp., with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "might," "should," "could," "predict," "potential," "believe," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "goal," "target," "outlook," "aim," "would," "annualized" and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. A number of important factors could cause our actual results to differ materially from those indicated in these forward-looking statements, including those factors identified in "Risk Factors" or "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Page | 2

Merchants Bancorp's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and in its subsequent filings with the Securities and Exchange Commission. Any forward-looking statements presented herein are made only as of the date of this press release, and we do not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.