

# Affordable Housing Predevelopment Loan Term Sheet

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## Terms

- 12-24-months; matures upon closing of construction financing.
- Up to \$1,000,000.
- Monthly draws with proceeds wired directly to 3<sup>rd</sup> party vendors or reimbursed to borrower.
- Interest due debited from loan proceeds on the 15<sup>th</sup> of every month.

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## Fees

- No application fee.
- 1% loan fee due at closing.
- Documentation fee estimated not to exceed \$4,000.

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## Use of Funds

- Any soft cost to be reimbursed at construction closing from budget lines other than developer fee, such as:
- Environmental reports
  - Option fees
  - Architectural/engineering
  - Legal
  - Tax credit reservation fees

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**Eligible Developments** Rental housing developments utilizing Low-Income Housing Tax Credit (LIHTC) financing, or properties utilizing a public funding source which restricts household income and unit rent to a maximum of 80% AMI for the majority of project units.

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## Rate

Fixed interest rate locked at time of approval. Rate is 6.250% as of May 2023.

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## Term

12–24 months.

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## Collateral

No real estate collateral required with LIHTC reservation. Full recourse to developer/borrower. Increase to maximum loan amount available with additional collateral.