

CEDAC

TERMS AND CONDITIONS Acquisition Loan Program

Eligible borrowers	Non-profit developers, Community Development Corporations, Joint Ventures controlled by a non-profit partner.
Eligible Program Activities	Acquisition of land, buildings or notes as part of an affordable housing project where borrowers demonstrate a clear public benefit of, or special market conditions requiring, an early acquisition.
Security	All loans will be secured by a first mortgage on the property. Assignment of leases and rents will be required for occupied property. Loans to scattered properties in the acquisition package will be cross-collateralized.
Loan to Value	Standard: up to 90% loan to value. May be able to go to 100% loan to value.
Term of Loan	Loans will be for a maximum of two years or the closing of construction financing or contribution of public equity, whichever comes first. Loans may be extended to three years depending on project circumstances.
Recourse	The loans will be recourse to the borrower.
Interest rate	Interest will be charged at a fixed rate, and will be due quarterly. Failure to pay in full at the time of construction closing will result in a penalty interest rate of 2 points above the current rate.
Fees	The commitment fee is one point, half of which is due at the execution of the commitment letter. Borrowers will pay the costs of CEDAC-commissioned appraisals, legal fees, and other services if required. Typical loan transactions involve only appraisals and legal fees. CEDAC keeps legal fees minimal by closing loans internally with outside counsel reviewing title documents and other project specific questions.