



# CEDAC

## TERMS AND CONDITIONS Home Funders Pre-development Loan Program

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<b>Eligible Borrowers</b>	Non-profit developers, Community Development Corporations, Joint Ventures controlled by a non-profit partner.
<b>Eligible Program Activities</b>	<p>Mortgageable predevelopment costs, including initial feasibility and market studies; architectural and engineering services; legal services; development consultant services; the costs of survey, environmental testing and appraisals; application fees; option payments, or to make down payments on a purchase and sale agreement; and related project expenses, including project management costs of the borrower.</p> <p>These predevelopment costs must be associated with an affordable housing project with a minimum of 10 units. Units should provide permanent housing for families with children. Preference will be given to projects which: (1) demonstrate local municipal support; and (2) integrate households with a range of incomes; or (3) are located in a municipality with a range of incomes.</p>
<b>Affordability</b>	At least 20% of the total units must be affordable to extremely low income (ELI) families with incomes at or below 30% of the area median income. An additional 30% of the units should be affordable to low income families. Preference will be given to projects that provide 25% of the units for ELI families, and provide long-term affordability.
<b>Amount of Loans</b>	Up to \$500,000 (The total of predevelopment and acquisition funds from this source cannot exceed \$1.5 million for any single project without the consent of the Home Funders) based on funding availability.
<b>Security</b>	Loans are unsecured until/unless developer takes ownership of the site, at which point loans are secured by a mortgage on the property. Assignment of leases and rents will be required for occupied property.
<b>Term of Loan</b>	Loans will be due at the closing of construction financing or contribution of public equity, whichever comes first.
<b>Recourse</b>	The loans will be limited recourse loans.

**Interest rate**

Interest will be charged at a fixed rate of 3%, and will be due at repayment. Failure to pay in full at the time of construction closing will result in a penalty interest rate of 2 points above the prime rate.