## Eligible Borrowers
Non-profit developers, Community Development Corporations, Joint Ventures controlled by a non-profit partner.

## Eligible Program Activities
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.

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.

## Affordability
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.

## Amount of Loans
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.

## Security
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.

## Term of Loan
Loans will be due at the closing of construction financing or contribution of public equity, whichever comes first.

## Recourse
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.