



CEDAC

TERMS AND CONDITIONS Home Funders 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 mortgage as part of 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 families with incomes at or below 30% of the area median income (AMI). Preference will be given to projects that provide 25% of the units for extremely low-income families and provide long-term affordability.
Amount of Loans	Up to \$1,500,000 (Combined maximum of predevelopment and acquisition funds from this source cannot exceed \$1.5 million in any one project without consent of lender) based on funding availability.
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	Up to 100% loan to value.
Term of Loan	Loans will be for a maximum of thirty months, or the closing of construction financing or contribution of public equity, whichever comes first.
Recourse	The loans will be recourse loans to the borrower above 75% loan to value.

Interest rate

Interest will be charged at a fixed rate of 2%, 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 prime rate.

Fees

CEDAC intends to close the loan internally. Borrowers will pay the legal costs associated with title review. If outside counsel is needed to draft material edits to CEDAC's standard loan documents, those costs will be borne by the borrower. For loans above \$250,000, the costs of CEDAC-commissioned appraisals if required. The commitment fee is one point.