



Oregon Rural Rehabilitation Loan Program

(Program Factsheet)

Senior Loan Officer

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Program Overview

The Oregon Rural Rehabilitation (ORR) Loan Program is exclusively for farmworker housing. The program was originally funded with a transfer of funds from the Oregon Division of State Lands. (The original funds were provided through the Secretary of Agriculture and designed to carry out the Bankhead-Jones Farm Tenant Act for the purpose of developing and/or preserving farmworker housing). For full Program details, visit the Loan Application website.

ORR Program Requirements

- Projects must meet the Department's statutory affordability requirements.
- Loan funds are disbursed in an escrow company acceptable to the Department.
- Early repayment is encouraged.
- Loan requests must provide adequate verification of acceptable value and control of the security and lien position on the security.
- Based on risk to the Department, loan guarantees may be required.
- No ownership or borrower transfers are allowed during the term of the ORR loan without receiving prior written approval from the Department.
- ORR Loan funds are available to qualified for-profit, non-profit and governmental organizations who are experienced developers of affordable farm worker housing.
- ORR funds are exclusively for farm worker housing and are required to be used as leverage with other funding sources.
- Developments can be either new construction or acquisition/rehabilitation rental housing with a minimum of 2 units. Under certain circumstances, multiple homeownership (subdivisions) may be eligible.
- OHCS may be in a first or junior lien position as long as there is 100% or greater security for the loan.

ORR Loan Terms/Interest Rate

The maximum loan request may not exceed \$100,000 or 35% of the total project costs (whichever is less). The maximum term is 10 years. Repayment terms may vary depending on the financial feasibility of the project. Interest may accrue during construction, but is due and payable upon conversion to permanent financing with the principal being re-amortized over the





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remaining term of the loan. Monthly principal and interest payments shall be made after conversion to permanent financing. The fixed interest rate for the term of the loan is 1%.

ORR Loan Charges

Borrowers pay a \$250 application charge at the time they submit the loan request. A 1% loan charge is due upon acceptance of a commitment letter and payable at the time of loan closing. Borrower is responsible for all loan closing expenses in escrow.

Fund Availability

Loans are funded from a revolving loan account. Availability of funds is dependent upon the number and size of outstanding loans at the time of loan application. Due to the limited funds, loan requests are taken on a first-come, first-reviewed and found to be qualified and ready to proceed basis. Due to limited funding availability, the Department encourages early repayment of these loans.

For More Information

To talk with someone about developing affordable housing in your area, contact a [Regional Advisor to the Department](#) or call 503.986.2000.

OHCS is the state housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for lower income Oregonians. The agency also administers federal and state antipoverty, homeless and energy assistance community service programs.

