

Predevelopment and Habitat Predevelopment Loan Program

(Program Factsheet)

Housing Finance Loan Closer

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Program Overview

The Predevelopment and Habitat Predevelopment Loan Programs provide below market financing and flexible terms for site acquisition and predevelopment costs. For full Program details, visit the Loan Application website.

Eligibility

- Developments may involve new construction, as well as acquisition, with minor or major rehabilitation.
- The program is targeted toward multifamily rental housing with at least five or more attached dwelling units. Home ownership projects (subdivision) of 5 lots or more are also eligible.
- Eligible predevelopment costs may include architectural design, site acquisition, legal fees, appraisal reports, soil or environmental reports, and consultant fees.

Predevelopment & Habitat Loan Program Requirements

- Projects must meet the Department's statutory affordability requirements.
- Loan funds are disbursed in an escrow company acceptable to the Department.
- Loans are to be repaid with the first available funding source including but not limited to the first construction draw.
- 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 predevelopment loan.
- Predevelopment Loan funds are available to qualified for-profit, non-profit and governmental organizations.
- Habitat Predevelopment funds are available to qualified Habitat for Humanity organizations.

Predevelopment Loan Terms/Interest Rate

The minimum loan is \$40,000; maximum loan is \$1,500,000. Loans between \$40,000 - \$500,000 may have a term of 6 months. The rate is fixed for the term of the loan and will be established by OHCS shortly before loan closing. The principal balance and all accrued interest are due and payable at the end of the Loan term. Call a Loan Officer for current rates.

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Habitat Loan Terms/Interest Rate

The maximum loan is \$40,000 with a maximum loan term of 2 years. Qualified Habitat for Humanity organizations pay 0% interest on qualified loans.

Predevelopment 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.

Habitat Loan Charges

Borrowers pay a \$100 application charge at the time they submit the loan request. A 2% 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, predevelopment loan applications are 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

For more information, contact **Becky Baxter**, Loan Closer, at 503.986.2074 or by E-mail Becky.Baxter@hcs.state.or.us.

To talk with someone about developing affordable housing in your area, contact a **Regional Advisor to the Department** at 503.986.2000 or visit the website at:

http://www.ohcs.oregon.gov/OHCS/DO_RegionalAdvisors.shtml

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.

