

HDC COMMUNITY FUND | TERM SHEET

OUR MISSION: To provide loans to nonprofit entities and housing authorities to support the development of affordable housing and community facilities that serve low-income people.

LOAN TYPES

Feasibility Provides the early dollars necessary to evaluate the feasibility of projects—paying for site assessment and preliminary financial modeling—and to apply for public and private funding.

Amount: \$25,000–\$75,000*

Predevelopment Provides funds to cover costs incurred between the receipt of major public funding awards and close of construction financing.

Amount: \$25,000–\$400,000*

Acquisition Pays for the acquisition of land or existing multifamily housing or commercial space for an affordable housing or community facility development.

Amount: \$50,000–\$400,000*

Bridge Provides subordinate financing to bridges sources of funds not scheduled to be available to the project until after construction-loan closing.

Amount: \$50,000–\$400,000*

*Individual borrowers may not have total outstanding loans equal to more than 25% of the entire HDC Community Fund loan pool.

LOAN TERMS

Interest Rate The interest rate is typically 4.5% to 5.0%, calculated by adding 2.5% to 3.5% to our weighted cost of funds. The interest rate on an individual loan may vary depending on the loan's terms and perceived risk.

Loan Term Bridge loans have a term of up to 24 months, and all other loan types have a term of up to 36 months.

Loan to Value Ratio Up to 90%. Applies to acquisition loans only.

Loan Fee 1.0% to 1.5% of the approved loan amount; \$2,000 minimum.

Transaction Costs Borrower is responsible for all third-party transaction costs associated with the loan.

Amortization Interest accrues and can be paid monthly, quarterly or in a lump sum when the principal is repaid.

LOAN TERMS, continued

Security Loans can be secured by property, other sponsor assets or organizational guarantees. Specific terms are at the discretion of HDC Community Fund.

Recourse All loans are fully recourse to the borrower. Sponsors must provide a full payment and performance guaranty if another entity owns, or will own, the property.

ELIGIBILITY

Borrowers HDC Community Fund makes loans to nonprofit entities and housing authorities operating in Oregon and Southwest Washington, subject to underwriting.

Projects We fund affordable housing and community facilities that primarily serve households with incomes below 80% of area median. Eligible project types include new construction, acquisition and rehabilitation, and the restructure of existing properties.



Established in 2009, **HDC Community Fund** provides low-interest loans tailored to the unique needs of nonprofit affordable housing and human service providers. Learn more at www.housingdevelopmentcenter.org.

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