# SHORT-TERM FINANCING LENDING PROGRAM

## OVERVIEW

Idaho Housing and Finance Association will provide short-term financing (6-24 months) to help facilitate affordable housing developments. This financing can provide funding for housing-type loans including land purchases, infrastructure financing and construction loans. All loans will have a specified takeout or payoff associated with the proposal. IHFA will not entertain any speculative projects. Proposed projects must meet the objectives established by IHFA's executive team and its board of commissioners.

## LOANS FOR:

1. **Single-family construction**
2. **Single-family modular construction**
3. **Single-family development (infrastructure)**
4. **Multifamily construction**
5. **Pre-development**

## LOAN DOCUMENTS:

The following documentation is required for the proposed loans. Not all loans will have the same documentation and each loan package will be prepared by IHFA. Please see the attached checklists for more details.

1. Promissory note
2. Deed of trust
3. Loan and regulatory agreement
4. Personal guarantee
5. Payment and performance
6. Agreement to provide insurance
7. Corporate resolution to borrow/grant collateral
8. Disbursement request and authorization

Idaho Housing and Finance Association®

## SINGLE-FAMILY CONSTRUCTION LOANS

| | |
|---|---|
| **Borrower:** | Established for-profit or nonprofit affordable housing entity. |
| **Term:** | Six to nine months. There will be the ability for a one-time six-month extension. |
| **Rate:** | LIBOR (or similar) + a range of 1.5% - 3.0%. |
| **Fee:** | 1.0% |
| **Collateral:** | First DOT on real property. Not to exceed four units at one time to a single developer. |
| **Personal Guaranty:** | Dependent on the project and borrower. |
| **Payments:** | Interest monthly. An interest reserve may be set up in the loan. Principal due at maturity or when the property is sold. |
| **Purchase Agreement:** | Copy of a signed purchase agreement. |
| **Takeout Commitment:** | A copy of a takeout commitment for the purchaser. Must be approved by IHFA. |
| **Loan to Value:** | Not to exceed 100% of the hard cost or 80% of the appraised value, whichever is less. Hard cost does not include any developer or contractor fee. |
| **Appraisal:** | Licensed Idaho appraiser. |
| **Financial Information:** | Three years of tax returns and year-to-date profit-and-loss and balance sheet on the development entity. |
| **Guarantor (If needed):** | Three years of tax returns and current personal financial statement, including a global liability and debt service listing. |
| **Title Insurance:** | First lenders ALTA title insurance with appropriate endorsements. |
| **Advances:** | Loan advances based on actual material or labor performed. Lien releases must be provided or advances will be made through a title company. |
| **Inspections:** | An inspection must be performed by either an IHFA representative or authorized, independent third party before any advance or draw. |
| **Insurance:** | Course of construction for the amount of the loan and liability insurance with a minimum of $2 million. |

11-15-21

# SINGLE-FAMILY CONSTRUCTION LOANS
## (Modular Units)

| | |
|---|---|
| **Borrower:** | Established for-profit or nonprofit affordable housing entity. |
| **Term:** | Six to nine months. There will be the ability for a one-time six-month extension. |
| **Rate:** | LIBOR (or similar) + a range of 1.5% - 3.0%. |
| **Fee:** | 1.0% |
| **Collateral:** | First DOT on real property. Not to exceed four units at one time to a single developer. |
| **Personal Guaranty:** | Dependent on the project and borrower. |
| **Payments:** | Interest monthly. An interest reserve may be set up in the loan. Principal due at maturity or when the property is sold. |
| **Purchase Agreement:** | Copy of a signed purchase agreement. |
| **Takeout Commitment:** | A copy of a takeout commitment for the purchaser. Must be approved by IHFA. |
| **Loan to Value:** | Not to exceed 100% of the hard cost or 80% of the appraised value, whichever is less. Hard cost does not include any developer or contractor fee. |
| **Appraisal:** | Licensed Idaho appraiser. |
| **Financial Information:** | Three years of tax returns and year-to-date profit-and-loss and balance sheet on the development entity. |
| **Guarantor (If needed):** | Three years of tax returns and current personal financial statement, including a global liability and debt service listing. |
| **Title Insurance:** | First lenders ALTA title insurance with appropriate endorsements. |
| **Advances:** | Loan advances based on actual material or labor performed. Lien releases must be provided or advances will be made through a title company. Modular units will be paid 50% at contract signing, an additional 25% at delivery and the remaining 25% with final inspection. |
| **Modular Producer:** | Must be approved by IHFA. |
| **Inspections:** | An inspection must be performed by either an IHFA representative or authorized, independent third party before any advances or draws. |
| **Insurance:** | Course of construction for the amount of the loan and liability insurance with a minimum of $2 million. |

# SINGLE-FAMILY DEVELOPMENT LOANS
## (Infrastructure Loans)

| | |
|---|---|
| **Borrower:** | Established for profit or nonprofit affordable housing entity. |
| **Term:** | Eighteen to 24 months. There will be the ability for a one-time six-month extension. |
| **Rate:** | LIBOR (or similar) + a range of 1.5% - 3.0%. |
| **Fee:** | 1.0% |
| **Collateral:** | First DOT on real property. Not to exceed 15 lots in proposed subdivision. |
| **Personal Guaranty:** | Dependent on the project and borrower. |
| **Payments:** | Interest monthly. An interest reserve may be set up in the loan. Individual lot releases to be handled by the title company. The amount of the release will be sufficient to pay off development loan when 75% of the lots have been sold. |
| **Purchase Agreement:** | Copy of a signed purchase agreement. |
| **Takeout Commitment:** | A copy of a takeout commitment for the purchaser. Must be approved by IHFA. |
| **Loan to Value:** | Not to exceed 100% of the hard cost or 80% of the appraised value, whichever is less. Hard cost does not include any developer or contractor fee. |
| **Appraisal:** | MAI licensed Idaho appraiser. |
| **Financial Information:** | Three years of tax returns and year-to-date profit-and-loss and balance sheet on the development entity. |
| **Guarantor (If needed):** | Three years of tax returns and current personal financial statement, including a global liability and debt service listing. |
| **Title Insurance:** | First lenders ALTA title insurance with appropriate endorsements. |
| **Advances:** | Loan advances based on actual material or labor performed. Lien releases must be provided or advances will be made through a title company. |
| **Inspections:** | An inspection must be performed by either an IHFA representa tive or authorized, independent third party before any advances or draws. |
| **Insurance:** | Course of construction for the amount of the loan and liability insurance with a minimum of $2 million. |
| **Environmental:** | A Phase 1 Environmental Assessment. |

11-15-21

## MULTIFAMILY CONSTRUCTION LOANS

| | |
|---|---|
| **Borrower:** | Established for profit or nonprofit affordable housing entity. |
| **Term:** | Eighteen to 24 months. There will be the ability for a one-time six-month extension. |
| **Rate:** | LIBOR (or similar) + a range of 1.5% - 3.0%. |
| **Fee:** | 1.0% |
| **Collateral:** | First DOT on real property. |
| **Personal Guaranty:** | Dependent on the project and borrower. |
| **Payments:** | Interest monthly. An interest reserve may be set up in the loan.<br>Principal due at maturity or when property is sold. |
| **Take Out Commitment:** | A copy of a takeout commitment. Must be approved by IHFA. |
| **Loan to Value:** | Not to exceed 100% of the hard cost or 80% of the appraised value, whichever is less. Hard cost does not include any developer or contractor fee. |
| **Appraisal:** | MAI licensed Idaho appraiser. |
| **Financial Information:** | Three years of tax returns and year-to-date profit-and-loss and balance sheet on the development entity. |
| **Guarantor (If needed):** | Three years of tax returns and current personal financial statement, including a global liability and debt service listing. |
| **Title Insurance:** | First lenders ALTA title insurance with appropriate endorsements. |
| **Advances:** | Loan advances based on actual material or labor performed.<br>Lien releases must be provided or advances will be made through a title company. |
| **Inspections:** | An inspection must be performed by either an IHFA representative or authorized, independent third party before any advances or draws. |
| **Insurance:** | Course of construction for the amount of the loan and liability insurance with a minimum of $2 million. |
| **Survey:** | Completed by an AIA surveyor |
| **Contractor:** | An IHFA-approved general contractor. IHFA will require a copy and assignment of the AIA construction contract. |
| **Environmental:** | A Phase 1 Environmental Assessment. |

## PRE-DEVELOPMENT LOANS

| | |
|---|---|
| **Borrower:** | Established for profit or nonprofit affordable housing entity |
| **Term:** | Six months. |
| **Rate:** | LIBOR (or similar) + a range of 1.5% - 4.0%. |
| **Fee:** | 1.50% |
| **Collateral:** | Sufficient collateral as determined by IHFA. |
| **Use of Funds:** | Approved by IHFA. Budget to help facilitate the pre-develop ment phase of an approved project. |
| **Personal Guaranty:** | Yes, if loan is to an entity. |
| **Payments:** | Interest monthly. An interest reserve may be set up in the loan.<br>Principal due at maturity. |
| **Takeout Commitment:** | A copy of a takeout commitment. Must be approved by IHFA. |
| **Loan to Value:** | Not to exceed 100% of the hard cost. Hard cost does not include any developer or contractor fee. |
| **Appraisal:** | Licensed Idaho appraiser if real estate is collateral. |
| **Financial Information:** | Three years of tax returns and year-to-date profit-and-loss and balance sheet on the entity or development entity. |
| **Guarantor:** | Three years of tax returns and current personal financial statement, including a global liability and debt service listing. |
| **Title Insurance:** | If collateral is real property, then first lenders ALTA title insurance with appropriate endorsements. |
| **Advances:** | Loan advances based on actual material or labor performed.<br>Lien releases must be provided or advances will be made through a title company. |
| **Inspections:** | An inspection must be performed by either an IHFA representative or authorized, independent third party before any advances or draws. |
| **Insurance:** | Dependent on collateral. |