

Community Facilities Development Loan

To enhance community and social services, we extend acquisition, construction financing and permanent mortgage loans to non-profit organizations for new and rehabilitated facilities. These projects are designed to meet the expansion and capital improvement needs of growing agencies.

Requirement for Community Needs Tracking

- Projects must demonstrate the need for critical or enhanced community or social services and have the support of local constituents and government.
- Periodic reporting is required.

Project/Borrower Characteristics

- Non-profits with a demonstrated history of community or social service delivery with ongoing federal, state, local or grant resources. Agencies should have a history of successful project initiation, delivery and completion.

Other Conditions

- Borrower must be a legally organized entity.
- Borrower should demonstrate the financial resources and capacity to carry any existing or projected short-term operating deficit. Borrower must be able to demonstrate and/or provide a minimum of two months debt service reserve.
- Projects in communities with little or no community or social service are highly desired.
- Community or social service demand must be adequately demonstrated and supported by local government.
- Borrower must demonstrate a balanced historical and current financial condition and operations. Debt coverage ratio must be adequate to service the debt being extended and any other sources of financing.
- Underwriting based on cash flows from federal, state, local or grant sources; and the experience and history of the project and/or agency. General community support, impact and the economic contribution of the project to the community will be considered in underwriting.
- Generally, the operating company must occupy at least 51% of any real estate being financed.

Loan Amounts

Minimum: \$50,000
Maximum: \$10,000,000

Rate Structure

Based on current market conditions and risk analysis

Maturity Terms

Loans may be extended up to 12 months on an interest only basis during construction/rehabilitation period, with conversion to monthly amortization upon completion; payments based on amortization term up to 30 years with a 5 year call provision

Collateral

1st or 2nd deed of trust

Origination Fees

0 to 2% based on transaction size and complexity

Late Payment Fees

5% to a maximum of \$250 after the 10th day

Prepayment Penalty

None

Loan-to-Value Guidelines

5 to 10% equity required; up to 100% loan-to-value available based on risk analysis

Guarantees

Parent organization, if applicable

Environmental Assessments

Phase 1 study required, Phase 2 study may be required based on Phase 1 findings; remediation required

Acceptable Equity

Existing equity or enhanced equity appreciation based on appraisal

