

**HOME Loan Structuring Examples**

The HOME loan-structuring goal is to find a balance between offering flexible financing that assists in strengthening the project viability and still secures a return from the HOME loan. Include a project pro forma with your requested loan amount and terms. Upon review by IHFA, there may be short periods of deferment for three to five years for repayment of the certified deferred developer fee.

**Multi-family Rental**

**New Construction**

- HOME/LIHTC
  - Interest rate- 3%
  - Term- Not to exceed 30 years
  - Amortization- Not to exceed 30 years
  - DCR- 1.05 minimum
  - Debt Service- 80% Cash flow
  
- Special Needs Project\* or Non-Profit
  - Interest rate- 1%
  - Term- Not to exceed 30 years
  - Amortization- Not to exceed 30 years
  - DCR- 1.05 minimum
  - Debt Service- 50 to 80% Cash flow
  - Deferred Developer fee- None deferred or deferred fee repaid during a term not to exceed 5 years

\*An IHFA approved Supportive Service Plan should be implemented and remain in service during the HOME affordability period.

**Multi-family Rental Acquisition with Rehabilitation**

- HOME/LIHTC
  - Interest rate- 3%
  - Term- Not to exceed 30 years
  - Amortization- Not to exceed 30 years
  - DCR- 1.05 minimum
  - Debt Service- 50% Cash flow
  - Deferred Developer fee- None deferred or deferred fee repaid during a term not to exceed 5 years
  
- Special Needs\* or Non-Profit
  - Interest rate- 1% to 3%
  - Term- Not to exceed 30 years
  - Amortization- Not to exceed 30 years
  - DCR- 1.05 minimum
  - Debt Service- 50 to 80% Cash flow
  - Deferred Developer fee- None deferred or deferred fee repaid during a term not to exceed 5 years

\*An IHFA approved Supportive Service Plan implemented and remains in service during the term of the HOME loan.

**Multi-family Rental Acquisition**

- **HOME/LIHTC**

Interest rate- 3%  
Term- Not to exceed 30 years  
Amortization- Not to exceed 30 years  
DCR- 1.05 minimum  
Debt Service- 80% Cash flow  
Deferred Developer fee- None deferred or deferred fee repaid during a term not to exceed 5 years

- **Special Needs\* or Non-Profit**

Interest rate- 1%  
Term- Not to exceed 30 years  
Amortization- Not to exceed 30 years  
DCR- 1.05 minimum  
Debt Service- 50 to 80% Cash flow  
Deferred Developer fee- None deferred or deferred fee repaid during a term not to exceed 5 years

\*An IHFA approved Supportive Service Plan implemented and remains in service during the term of the HOME loan.

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