

## IDAHO COMMUNITY REINVESTMENT CORPORATION

**LOAN PRODUCT:** ICRC offers **permanent**, long-term mortgage loans for the following:

- \* Newly constructed multifamily developments.
- \* Acquisitions of multifamily developments which involve substantial rehabilitation.
- \* Refinancing for existing, affordable multifamily housing subject to market conversion may be considered on an exception basis.

### LOAN TERMS:

**Loan-to-Value:** 75% of appraised market value; on newly constructed projects, cash equity of 10% of hard costs must be verified.

**Debt Service Coverage Ratio:** 1.20 to 1 minimum.

**Prepayment:** A prepayment fee will be in effect based on the FNMA yield maintenance formula (FNMA Form 4157).

**Interest Rates:** The interest rate shall be a fixed rate, determined by adding 175 basis points to the current yield on the Seattle Federal Home Loan Bank Intermediate Term Amortizing Advance Rate for terms corresponding to the loan request, 15, 20, or 30 years. Said interest rate shall be adjusted upward to the nearest 1/8th of one percent.

**Rate Locks:** Available for a period of up to 6, 12, or 18 months prior to issuance of a Conditional Commitment.

**Loan Term:** 15, 20, or 30-year

**Loan Amortization:** 30-year maximum

**Maximum Loan:** No minimum. The maximum loan amount for any single project shall not exceed 10% of the loan pool. An exception may be granted to increase the loan limit for any single project through approval by 2/3 of the ICRC Loan Committee. No more than 20% of the loan pool may be allocated to any borrower (cumulative projects). Exceptions may be recommended by ICRC's President and subject to the approval of ICRC's Loan Committee.

**Guarantees:** ICRC loans will generally be non-recourse loans; however, in some instances personal guarantees may be required.

### Fees:

**Application Fees:** \$1,500 for all applications. Fees are due at the time of application and are nonrefundable.

**Origination Fees:** 1.25% of the loan amount; \$1,500 minimum.  
1% paid at commitment; .25% paid at closing.

**Rate Lock Fees:** Loans less than \$1 million, rate-lock fee .25% for 6 months; .5% for 12 months; and .75% for 18 months. Loans for more than \$1 million; rate-lock fee to be quoted.

*Extension Fees:* 0.25% of the loan amount; \$1,000 minimum. Extension period may be negotiated on a case by case basis.

*Out-of-Pocket Costs:* Borrower is responsible for all out-of-pocket costs including, but not limited to costs for appraisal inspection, survey, title, legal, credit reports, environmental reviews, soil testing, etc.

**ELIGIBLE BORROWERS:** Single-asset ownership entities.

**AFFORDABILITY:** Affordability requirements, governed by a recorded Regulatory Agreement, will remain in effect for the life of the ICRC loan.

**Occupancy:**

All developments funded by ICRC must, at a minimum, set aside units for low-income households as follows:

- \* at least 40% of the units in the development must be occupied by households earning not more than 60% of area median income, OR
- \* at least 20% of the units in the development must be occupied by households earning not more than 50% of area median income.

**Restricted Rents:**

All units designated for low-income households must be rent restricted. Rents (including appropriate utility allowances) may not exceed 30% of the maximum income limitation established for the unit. Rent restrictions are based upon current Low-Income Housing Tax Credit regulations (Section 42 of the Internal Revenue Code).

**PRIORITY PROJECTS:**

**Special Needs Populations:**

Priority will be granted to developments in which at least 30% of the units serve the housing and non-housing needs of the following special needs populations:

- \* Farm Workers
- \* Elderly
- \* Single Parent Households
- \* Large Families
- \* Persons with mental or physical disabilities

**Location:**

Priority may be granted to developments located in primary service areas of ICRC member banks. ICRC will address affordable housing needs in both rural and urban areas of the state, and will provide a priority in areas of the state with limited or no affordable multifamily housing.

**Tenant Selection:**

Priority will be given to developments which utilize Affirmative Housing Marketing Plans in tenant selection process.

**Affordability Commitment:**

Priority will be given to developments which provide for continuing affordability beyond the term of the ICRC loan.

**OTHER FUNDING SOURCES:**

Low-Income Housing Tax Credit and HOME can be utilized in conjunction with ICRC financing.

ICRC

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