



LOAN PROGRAM TERMS

LOAN AMOUNTS: Loans generally range from \$10,000 to \$250,000. The Midlands Housing Trust Fund can potentially partner with other loan funds for requests exceeding \$250,000.

INTEREST RATES: Rates are between prime and 4 points over prime and may vary with the sources and costs of our capital. Interest rate discounts may apply in some circumstances: up to 0.5% for developments serving households at 80% of area median income and below; up to 1% for developments serving households at 60% of area median income and below; and up to 0.5% for developments that are certified energy efficient by LEED, Green Communities, Earth craft, Energy Star, and NAHB.

MAXIMUM TERM: Bridge loans up to 12 months (one year); gap loans up to 24 months (two years); permanent loans (on a very limited basis) up to 240 months (twenty years). Other terms may be negotiated at the discretion of the Loan Committee and Executive Director.

ELIGIBLE BORROWERS: Non-profit organizations, for-profit businesses, government entities developing eligible properties, and LLCs.

ELIGIBLE ACTIVITIES: Housing development loans can be used for predevelopment, acquisition, infrastructure, rehabilitation, construction, and permanent financing.

SERVICE AREA: Richland, Lexington, Newberry, Orangeburg, Fairfield, Calhoun, and Kershaw Counties in the state of South Carolina.

TARGETED LENDING: MHTF will finance Low Income Housing Tax Credit (LIHTC) in our service area.

SECURITY: Loans must be secured. Development loans may be secured by a commitment letter for construction financing, permanent financing, grant funding, a promissory note, mortgage, and personal guarantee. Exception: MHTF may accept a written commitment of funds from a government entity or other reliable source as collateral if the purpose of the MHTF loan is to enable the borrower to fulfill the requirements for disbursing those funds.

SECURITY ASSURANCES: Appraisal, environmental, title insurance, liability and flood plain insurance, certificate of occupancy, and inspection.

DEBT SERVICE COVERAGE: Development loans typically require a minimum of 1.20, with a pre-funded operating reserve on permanent loans.

EQUITY CONTRIBUTION: Development loans require a minimum 10% equity contribution, with a pre-funded operating reserve on permanent loans.

PAYMENT: Negotiable. Interest-only through construction (negotiable, depending on the project); principal due in full upon construction loan closing. Permanent loans usually have equal monthly payments of amortized principal and interest. However, 10-year terms with amortization periods of up to 15 years are allowed with a balloon payment at the end of the 10-year term, in order to accommodate the financing needs of the development.

FEES: \$500 non-refundable application fee (may be waived at the Board's discretion); 1.00% - 2.5% origination fee due at closing depending on loan program and affordability percentage (may be waived or reduced at ED's or Board's discretion); 5% late fee of the amount past due after 10 day grace period; returned check fee equal to fees charged to MHTF for each returned check or \$35, whichever is greater. The Executive Director may waive this fee under unusual circumstances.

CLOSING COSTS: The borrower is responsible for the expense of attorney's fees (borrower's and lender's), document preparation, and all closing costs.

HOUSING AFFORDABILITY CONTROLS: All housing units funded by MHTF must be affordable to households earning at or below 80% of the Area Median Income published annually by the U.S. Department of Housing & Urban Development. Upon project completion, all housing units funded by MHTF are subject to a minimum 20-year restrictive covenant on the property for which the loan is made.

SUBMISSION OF APPLICATION: Applicants **must** submit **one (1) bound copy of the application and all supporting materials and one (1) electronic (PDF) copy of the application and all supporting materials.** The application materials must be accompanied by a \$500 check for the application fee.

Application forms and policies may be found at <http://www.midlandshousing.org>

Questions may be directed to:
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