



CONNECTICUT HOUSING INVESTMENT FUND

Neighborhood Rebuilder Construction Loans

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| Product Type and Loan-to-Value | <ul style="list-style-type: none">❖ This loan is used for the acquisition and rehabilitation of existing, or construction of new, residential one-to-four family properties. This loan is not available solely for acquisition costs. CHIF also provides bridge loans, and appraisal gap subsidies in the form of soft subordinate mortgages, for qualified borrowers as part of the Neighborhood Rebuilder Program. (Please see separate Product Sheets on these products)❖ <u>For-profit developers</u>—may not borrow more than 90% of the appraised after rehabilitation value of the project.❖ <u>Non-profit developers</u>—may not borrow more than 95% of the appraised after rehabilitation value of the project. |
| Eligible Borrower | <ul style="list-style-type: none">❖ For-profit and non-profit developers, municipalities, and housing authorities experienced in developing affordable housing. |
| Affordability | <ul style="list-style-type: none">❖ Loans are generally for housing for families earning less than 80% of area median income. In certain cases, loans can be made for families earning greater than 80%. Special consideration is given to projects that serve special needs populations and to projects that are components of Neighborhood Revitalization Plans. |
| Terms | <ul style="list-style-type: none">❖ Up to 12 months. |
| Rate | <ul style="list-style-type: none">❖ 6.5% interest (Construction and Bridge loans) |
| Loan Repayment | <ul style="list-style-type: none">❖ Interest only due on the first day of each month, based on outstanding principal balance. |
| Collateral | <ul style="list-style-type: none">❖ First lien on the financed property; personal or corporate guaranties may be required. |
| Fees | <ul style="list-style-type: none">❖ Non-refundable application fee of \$50 plus CHIF's cost of obtaining an independent appraisal due at time of application.❖ Non-refundable origination fee equal to 2% of the loan amount, due at closing.❖ Legal and inspection fees, and title and recording costs paid by borrower at closing. CHIF will order a Plan Review at the borrower's cost prior to Loan Committee approval |
| Loan Process | <ul style="list-style-type: none">❖ The loan approval process is described in the Connecticut Housing Investment Fund's Neighborhood Rebuilder Construction Loan Program Guidelines. |

For more information contact:
Program Administrator-Lending
phone: (860) 761-1645 or (800) 992-3665, ext. 2045 email: rebuilder@chif.org
fax: (860) 233-3920



CONNECTICUT HOUSING INVESTMENT FUND

Neighborhood Rebuilder Bridge Loans

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| Product Type | ❖ This loan is coupled with our Neighborhood Rebuilder Construction Loan. It is available to developers who need additional subsidies and is given in the form of a soft subordinate mortgage. Generally, it is used in conjunction with local government affordable housing initiatives that use HOME funds as the take out, or by non-profits who obtain an allocation of tax credits. |
| Eligible Borrower | ❖ For-profit and non-profit developers, municipalities, and housing authorities experienced in developing affordable housing. |
| Affordability | ❖ Loans are generally for housing for families earning less than 80% of area median income. Special consideration is given to projects that serve special needs populations and to projects that are components of Neighborhood Revitalization Plans. |
| Terms | ❖ Up to 12 months. |
| Rate | ❖ 6.5% interest |
| Loan Repayment | ❖ Interest only due on the first day of each month, based on outstanding principal balance. |
| Collateral | ❖ First lien on the financed property; personal or corporate guaranties may be required. |
| Fees | ❖ Non-refundable application fee of \$50. ❖ Non-refundable origination fee equal to 2% of the loan amount, due at closing. |
| Loan Process | ❖ The loan approval process is described in the Connecticut Housing Investment Fund's Neighborhood Rebuilder Construction Loan Program Guidelines. |

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CONNECTICUT HOUSING INVESTMENT FUND

Neighborhood Rebuilder Appraisal Gap Subsidy Program

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| Product Type and Loan-to-Value | ❖ This program provides a forgivable loan to developers to finance properties located in distressed neighborhoods where the appraised value of the property after rehabilitation is less than the total development cost. Once the developer completes the rehabilitation, the homebuyer obtains a first mortgage and the appraisal gap subsidy is assumed by the new homebuyer as a forgivable loan or silent second subordinated mortgage. CHIF forgives the mortgage after a short term, usually five years. |
| Eligible Borrower | ❖ For-profit and non-profit developers, municipalities, and housing authorities experienced in developing affordable housing. |
| Affordability | ❖ The Appraisal Gap Subsidy is a forgivable loan for families earning less than 80% of area median income. Special consideration is given to projects that serve special needs populations and to projects that are components of Neighborhood Revitalization Plans. |
| Amount Limit | ❖ Single Family: Up to \$15,000 per unit ❖ Owner Occupied w/rental unit: Up to \$15,000 for owner's unit and \$7,500 for rental unit. |
| Term | ❖ Generally five years |
| Rate | ❖ 0% interest |
| Loan Repayment | ❖ Loan is assumed by homebuyer and forgiven after a short term, generally five years. |
| Collateral | ❖ The loan is secured by a subordinate mortgage, which must be in the most senior lien position possible after any conventional loan. |
| Loan Process | ❖ The loan approval process is described in the Connecticut Housing Investment Fund's Neighborhood Rebuilder Construction Loan Program Guidelines. Please also refer to CHIF's term sheets for the Neighborhood Rebuilder Construction Loan and Bridge Loan Programs. |

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