



# PREDEVELOPMENT LOANS

## PROGRAM TERM SHEET

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<b>Description</b>	The Predevelopment Loan Program provides predevelopment financing for predevelopment activities undertaken by organizations to develop affordable housing or community facilities.
<b>Eligible Borrowers</b>	Non-profit, semi public or public entities.
<b>Eligible Property Type</b>	Acquisition/ rehabilitation or new construction of affordable multifamily, single family or community facility properties.
<b>Affordability Requirements</b>	<p>Affordability to be guaranteed for the original term of the loan.</p> <ul style="list-style-type: none"><li>• At least 51% of the rental units are rented to households earning 80% of less of median income as defined by HUD; or</li><li>• At least 40% of the rental units are rented to households earning 60% of less of median income as defined by HUD; or</li><li>• At least 20% of the rental units are rented to households earning 50% of less of median income as defined by HUD.</li></ul> <p>CASA shall use data published periodically by the Department of Housing and Urban Development (HUD) as a guideline for measuring median income levels in specific regions of the state, and further for determining affordability levels for those regions.</p>
<b>Loan Amount</b>	Up to \$200,000
<b>Loan to Value (LTV)</b>	Up to 120% of appraised value of property
<b>Recourse to the Borrower</b>	There is full recourse to the borrower
<b>Security</b>	Loans made for the purchase of real property will be secured by a trust deed with CASA in a first lien position. All other loans may be required to provide collateral as security for this loan.
<b>Interest Rate</b>	Five percent per annum (5%)

<b>Term</b>	Up to 24 months
<b>Payments</b>	Principal and accrued Interest due at construction loan closing
<b>Prepayment</b>	No prepayment penalty
<b>Fees</b>	1% loan origination fee
<b>Commitment</b>	Up to 18 months
<b>Commitment Extension</b>	An additional 6 months beyond original Commitment
<b>Third Party Reports</b>	Appraisal by approved appraiser (if land being purchased) Phase I Environmental Report (if available) Market Study (if available)
<b>Underwriting Checklist</b>	<ol style="list-style-type: none"> <li>1. Signed application form</li> <li>2. Preliminary Title Report with copies of all exceptions</li> <li>3. Financial Pro forma inclusive of Income and Expense Statement and Statement of Sources and Uses</li> <li>4. Copies of commitments of any other funding</li> <li>5. Project Description</li> <li>6. Proposed method of repayment</li> <li>7. Last two years of borrower audited financial statements</li> <li>8. Development team information</li> <li>9. Borrower organizational documents and Community Rules.</li> <li>10. Project Timeline</li> <li>11. Copy of Option Agreement if funds to be used to purchase property.</li> <li>12. List of previously developed projects</li> </ol>

*Please contact CASA for questions related to your request or if you require additional information.*