



Predevelopment Loans Program Term Sheet

Description	The Predevelopment Loan provides predevelopment financing for activities undertaken by organizations to develop or preserve affordable housing or community facilities.
Eligible Borrowers	Non-profit, semi public or public entities.
Eligible Property Type	Acquisition/rehabilitation/preservation or new construction of affordable multifamily, single family or community facility properties and manufactured home parks.
Affordability Requirements	<p>Affordability to be guaranteed for the original term of the loan.</p> <ul style="list-style-type: none">• At least 51% of the rental units are rented to households earning 80% of less of median income as defined by HUD; or• At least 40% of the rental units are rented to households earning 60% of less of median income as defined by HUD; or• At least 20% of the rental units are rented to households earning 50% of less of median income as defined by HUD.• On manufactured home park preservation projects, at least 60% of households earning 80% or less of area median income as defined by HUD <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>
Loan Amount	Up to \$200,000
Loan to Value (LTV)	Up to 120% of value of property
Debt Coverage Ratio (DCR)	1.10 on all scheduled debt service payments

Recourse to the Borrower	There is full recourse to the borrower on traditional properties/projects There is no recourse to the borrower on manufactured home park preservation projects
Security	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. On manufactured home park preservation projects, the loan will be unsecured.
Interest Rate	Five percent per annum (5%)
Term	Up to 24 months
Payments	Principal and accrued interest due at construction or permanent loan closing – transaction specifics to determine.
Prepayment	No prepayment penalty
Fees	1% loan origination fee
Commitment	Up to 18 months
Commitment Extension	An additional 6 months beyond original Commitment
Third Party Reports	Appraisal of property Capital Needs Assessment Phase I Environmental Report Market Study (if available/applicable)

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

Note: Loan terms are subject to change

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