

CEDAC

TERMS AND CONDITIONS Acquisition Loan Program

Eligible borrowers	Non-profit developers, Community Development Corporations, Joint Ventures controlled by a non-profit partner.
Eligible Program Activities	Acquisition of land, buildings or notes as part of an affordable housing project where borrowers demonstrate a clear public benefit of, or special market conditions requiring, an early acquisition.
Security	All loans will be secured by a first mortgage on the property. Assignment of leases and rents will be required for occupied property. Loans to scattered properties in the acquisition package will be cross-collateralized.
Loan to Value	Standard: up to 90% loan to value. May be able to go to 100% loan to value.
Term of Loan	Loans will be for a maximum of two years, extensions to 3 years, or the closing of construction financing or contribution of public equity, whichever comes first.
Recourse	The loans will be recourse to the borrower, above 75% loan to value.
Interest rate	Interest will be charged at a fixed rate, and will be due quarterly. Failure to pay in full at the time of construction closing will result in a penalty interest rate of 2 points above the current rate.
Fees	Borrowers will pay the costs of CEDAC- commissioned appraisals. The commitment fee is one point. \$350 is due at the time of commitment with the balance due at closing. CEDAC intends to close this loan internally. If outside counsel is needed to draft material edits to CEDAC's standard loan documents, those costs will be borne by the borrower.