

# AFFORDABLE HOUSING LOAN PROGRAM

Rural Community Assistance Corporation's (RCAC) Affordable Housing Loan Program helps create, improve or expand the supply of affordable housing for communities in the rural West. RCAC's housing loan products provide the short-term acquisition, pre-development, site development and unit construction funds that single family and multifamily affordable housing developers need. Loans to acquire sites and develop finished lots for Mutual Self-Help housing are a mainstay of the short-term loan program. RCAC also may provide loans for urban Self-Help housing projects to U.S. Department of Agriculture (USDA) Section 523 grantees.

## General Program Requirements

### ■ ELIGIBLE APPLICANT

Nonprofit organizations, public agencies and tribal governments

### ■ ELIGIBLE AREA

Projects must be located in rural areas with populations of 50,000 or less in Alaska, Arizona, California, Colorado, Hawaii and other Pacific islands, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming. For government housing program borrowers, the area must be eligible under the program guidelines, such as the USDA 502 program's specific population limits.

### ■ ELIGIBLE PROJECTS

Eligible projects include single family and multifamily housing projects that serve very-low or low-income households and may include mixed income projects. (RCAC financing is limited to the low-income portion of mixed income projects.)

## Loan Products

### ■ SHORT-TERM LOANS (1 TO 3 YEARS) FOR:

#### Feasibility (such as market studies, environmental reports)

- Loan amount normally not more than \$10,000
- Normal term — one year
- Loan Fee — 1 percent
- Entity and project must be eligible for long-term financing from governmental or other source and have reasonable prospect for probable funding
- Entity must agree to repay loan, on extended terms if necessary, if project does not proceed
- Must have Technical Assistance (TA) to extent needed, either from RCAC or another acceptable TA source

#### Acquisition

- Maximum loan amount up to appraised value of site plus loan fee and interest reserve, normally not to exceed \$3 million
- Secured by lien on the real estate acquired
- Term — up to three years
- Loan Fee — 1 percent
- Loan may include loan fee and interest reserve (for interest accrual during loan term)
- Committed take-out not required, but must demonstrate feasibility based on available take-out lending programs
- RCAC may subordinate to a pre-development and/or construction lender
- Must demonstrate feasibility/affordability of project based on available long-term lending programs

#### Pre-development (such as architectural, engineering, legal)

- Loan amount based on line item pre-development budget
- Secured by real estate (normally made in conjunction with an RCAC acquisitions loan)
- Term — up to three years
- Loan Fee — 1 percent
- For single family housing, maximum loan based on aggregate market value of finished lots, considering acquisition and site development cost
- Committed take-out not required, but must demonstrate feasibility/affordability based on available long-term lending programs

#### Site development/Unit construction

- Loan amount — normally not to exceed \$3 million
- Secured by lien on real estate
- Term — commensurate with the construction period for the project
- Loan Fee — 1 percent and 0.25 percent on the construction costs
- For single family housing site development loans, a committed

take-out is not required, however, the borrower must demonstrate feasibility/affordability based on available take-out mortgage lending programs

- For single family unit construction loans and multi-family interim construction loans, a committed take-out is required

#### ■ INTERMEDIATE OR LONG TERM LOANS:

##### HUD Section 184 Indian Housing Loan Guarantee Program and Title VI Program

RCAC is an approved lender for these programs. The 184 program encompasses greater scope (including loans to individuals). However, RCAC only originates rental housing loans made to the tribe or Tribally Designated Entity (TDHE) ranging from one, up to four family rental units on tribal lands. The Title VI Program may be used to develop affordable housing or community facilities on tribal lands pledging NAHASDA funds for repayment.

##### Manufactured Home Park loans

- Loan amounts up to \$1 million
- Secured by real estate
- Term — Up to 10 year term with longer amortization
- Loan Fee — 1 percent
- For acquisition of or improvements to Manufactured Home Parks

##### Green build

- RCAC encourages green construction materials and practices and provides priority to green build loan applications
- Must agree to provide significant “green” components as part of construction
- May be used in connection with land acquisition, pre-development, site development or construction loans

## General Information

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- Loan applications are available online at [www.rcac.org](http://www.rcac.org). (Click on Financing for housing, environmental infrastructure, community facilities or small business) Applications are specific to the requested loan product. RCAC loan officers can provide application assistance.
- Interest rates and fees are determined periodically and are subject to change. Short-term rates are generally in the 5 percent range.
- The RCAC loan committee can make loan policy exceptions to tailor a loan to fit particular project needs.
- Amounts given as normally not to exceed are loan policy limits; higher amounts may be approved.

## RCAC

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RCAC partners with rural and Indigenous communities to achieve their vision and well being through technical assistance, training, financial resources and advocacy.

Founded more than 40 years ago, RCAC provides a wide range of community development services for rural and Native American communities, and community-based organizations in 13 western states and other Pacific islands. RCAC was certified as a Community Development Financial Institution (CDFI) in 1996 and finances affordable housing, community facilities, utility infrastructure and small businesses in rural communities. As a certified CDFI, RCAC fills financing gaps and serves those traditionally neglected by conventional markets.

With more than \$150 million in lending capital, RCAC is a major resource for rural communities. Headquartered in West Sacramento, California, RCAC's employees serve rural communities from field offices located throughout our service region.

## Contacts Us

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**To talk to a loan officer in your area, call 1-855-979-7322**

**Or learn more at our website: [www.rcac.org](http://www.rcac.org)**