



Multifamily Lending Program New Construction/Rehab

Eligibility Requirements

To be considered, all loan applications must meet the following criteria:

- Properties must be located in GA, NC, SC, TN, VA or WV
- At least 51% of the project units must provide housing for “low income” persons, defined as:
 - For Metropolitan Areas: households with an income of 60% or less of the area median income; or
 - For Non-Metropolitan Areas: households with an income of 80% or less of the area median income.
- Rents, including utilities, cannot exceed the applicable low income rent ceiling based on 30% of household income.
- Qualified units must remain occupied by low income tenants while financing remains in place.

Application and Review Process

CICCAR uses state housing finance agency Low Income Housing Tax Credit applications as our application. Both for-profit and nonprofit developers/organizations may apply.

All applications are subject to a favorable staff review, followed by presentation to the CICCAR Board of Directors for approval.

A complete loan package must be received by CICCAR at least one month prior to taking the loan request to the Board. Board meetings are held on the first Thursday of each month.

If approved, the loan request will be submitted to CICCAR’s member financial institutions for purchase. Once CICCAR has received aggregate participation commitments totaling 100% of the proposed loan amount, a commitment letter will be issued

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| Product | Conventional permanent financing for new construction and acquisition/rehabilitation projects |
| Loan Term | <ul style="list-style-type: none"> • Up to 18 years, with payments calculated on a 30-year amortization • 35-year amortization considered on a case-by-case basis |
| DSC | Minimum of 1.15x during entire loan term |
| Loan-to-Value | Maximum of 80%, based on restricted income value at stabilized occupancy |
| Appraisal | <ul style="list-style-type: none"> • All projects require an appraisal prepared by an approved Class IV designated appraiser approved by CICCAR’s Board of Directors. • Appraisal must be engaged by CICCAR and conform to CICCAR’s Appraisal Policy. • Applicant is responsible for the cost of the appraisal, with payment made to CICCAR. |
| Security | First lien Deed of Trust / Mortgage only |
| Fees | <ul style="list-style-type: none"> • Application Fee: \$500 • Commitment Fee: 1% (\$3,000 minimum, non-refundable) • Loan Fee: 1% (\$3,000 minimum, due at closing) |
| Commitment Term | <ul style="list-style-type: none"> • Up to 24 months • One 6-month extension may be approved, subject to an additional 1/2% fee |
| Pricing | <ul style="list-style-type: none"> • Fixed rate during the loan term, based on the Monthly Average, 10 year Maturity Treasury Note plus a competitive margin; • Pricing set and locked upon loan approval by the Board of Directors; • In the event of an extension beyond the initial 24-month commitment period, adjustments based upon prevailing rates may apply. |
| Additional Security | All projects will be controlled by a recorded Regulatory Agreement |
| Reserves & Escrow | A tax & insurance escrow account, a replacement reserve account and an operating reserve account will be established or verified at time of permanent loan closing. The initial operating reserve amount will be determined at time of commitment (minimum of six months’ expenses/debt service). |
| Legal Fees | To be paid by Borrower at time of permanent loan closing |

All terms subject to periodic review/revision by the Board of Directors

Community Investment Corporation of the Carolinas

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Loan Application Checklist

The following is a list of exhibits and data which must be submitted with this application. CICCAR may require additional documentation deemed necessary to properly evaluate and underwrite each loan request. CICCAR will order credit reports on the managing general partner(s) and affiliated company.

The following items shall be required at time of application:

- \$500 application fee
- State tax credit application
- Evidence of tax credit allocation from appropriate state agency
- Letter of interest / commitment from equity investor or syndicator
- Income and expense proforma (including 5% replacement reserve)
- Preliminary site survey
- Site plan, elevations and floor plans
- Appraisal (to be submitted by Appraiser in accordance with CICCAR's policy)
- Market/feasibility study
- Initial environmental assessment letter or environmental report (Phase I)
- Property description - briefly discuss the accessibility to neighborhood facilities and services
- Evidence of city approval/zoning approval
- Evidence that utilities are available to the site
- Evidence of site control (Deed, option or title insurance)
- Ground leases - if applicable
- Evidence of other financing/loan agreements
- Financial statements (Developer/Sponsor, Managing General Partner, Management Company, Builder)
- IRS Letter with Tax ID# for the Partnership/LLC
- By-Laws and Articles of Incorporation/Organization for the LP/LLC
- Partnership/LLC Agreement
- Narrative on managing general partner/sponsor's experience
- Management plan & management agreement
- Narrative on management company experience
- Narrative on builder experience
- Marketing plan
- Supportive services plan (if applicable)

If you have any questions, please contact:

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