



Multifamily Lending Program Refinance/Restructure

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

Both for-profit and nonprofit developers/organizations may apply for CICCAR financing.

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 for a maximum term of 90 days.

Product	Refinancing of existing HUD, USDA or LIHTC projects that are at or near completion of the initial 15-year affordability compliance period.
Loan Term	<ul style="list-style-type: none"> • 5, 7 or 10 year terms • Longer terms considered on a case-by-case basis, to match remaining LURA term • Payments calculated on a 30-year amortization
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 • Loan Fee: 1% (\$3,000 minimum - due at closing)
Commitment Term	<ul style="list-style-type: none"> • Up to 90 days • One 90-day 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
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.
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

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
- Income and expense proforma (including 5% replacement reserve)
- Operating statements and rent rolls for the previous 3 months
- Prior three years' annual property audits
- Evidence of other financing/loan agreements
- Financial statements (Developer/Sponsor, Managing General Partner)
- Current appraisal (to be submitted by Appraiser in accordance with CICCAR's policy)
- Environmental Report (Phase I) & Current Update (dated within previous 90 days)
- Ground leases - if applicable
- IRS Letter with Tax ID# for the Partnership/LLC
- By-Laws and Articles of Incorporation/Organization for the LP/LLC
- Executed Partnership/LLC Agreement
- Narrative on managing general partner/sponsor's experience
- Executed Management Plan, Management Agreement and current real estate license for management company
- Narrative on management company experience

The following items must be reviewed and approved prior to closing:

- Certificate of Existence/Good Standing for the Partnership/LLC
- Certificate of Existence/Good Standing for the Management Company
- Updated zoning letter
- Final As-Built Survey
- Title commitment
- Hazard Insurance Policy in a sufficient amount listing CICCAR as mortgagee
- General Liability Insurance coverage of at least \$1,000,000
- Fidelity Bond Insurance for at least \$100,000
- Executed Borrowers Resolution/Consent
- Note & Deed of Trust on all subordinate debt - if applicable
- Executed Subordination Agreements - if applicable
- Property tax amount & property insurance premium

If you have any questions, please contact:

Cindy Wiggins-Tiede
Senior Underwriter
(919) 781-7979
(800) 662-7044
cindy@ncbankers.org