



# North Dakota Housing Finance Agency

## Rural Housing Development Loan Program

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<b><u>Type of Assistance:</u></b>	Short-term, Low-Interest Loans
<b><u>Eligible Borrower:</u></b>	Communities located within an area meeting the USDA Rural Development definition of rural (population of less than 20,000) and non-profit organizations working in partnership with these communities. For-profit developers may also be eligible, at the sole discretion of the Agency, to facilitate development in difficult to develop rural communities.
<b><u>Maximum Loan Amount:</u></b>	75 percent of project cost not to exceed \$200,000. If the loan purpose includes construction financing, and there is no permanent loan take out commitment, the maximum loan amount will be 50 percent of project cost not to exceed \$200,000. (Limitations may be waived by the Agency in its sole discretion.)
<b><u>Term of Loan:</u></b>	Maximum three years with extensions available on a case-by-case basis and at the sole discretion of the Agency.
<b><u>Interest Rate:</u></b>	Will be based on the Agency's cost of funds at the time of commitment and will depend on loan term, the property type and household income restrictions.
<b><u>Use of Proceeds:</u></b>	Pre-development soft costs, land acquisition, site development and any other cost associated with producing difficult to develop housing in rural areas.
<b><u>Repayment Terms:</u></b>	Periodic (quarterly, semi-annual or annual) interest payments only. Principal repayment tied to housing units placed into service (i.e. as single family lots are sold, or the permanent financing for multi-family project or a single-family home is closed.)
<b><u>Collateral:</u></b>	First lien preferred, but no less than second lien.
<b><u>Underwriting:</u></b>	The Agency will establish underwriting and documentation standards that reserve its right to determine the long-term viability of the project and reasonable assurances that loan will be repaid.
<b><u>Loan Fees:</u></b>	Origination fee of 1% or \$500, whichever is greater, and all hard costs.