

The CAHEC Predevelopment Loan Program is intended to provide a source of funds to nonprofit entities for expenses related to the planning of tax credit eligible developments for which CAHEC-sponsored equity funds would have an interest in providing the investment capital.

Examples of typical qualifying predevelopment expenses include market studies, consulting fees, preliminary architectural plans, site control, appraisals, surveys, soil test, environmental assessments, legal fees, tax credit application fees, etc.

**ADVANTAGES:**

- Fast Closing
- Flexible and affordable
- Does **not** require an allocation of tax credits

Eligible Borrowers	Nonprofit LIHTC Developers
Minimum Borrower Underwriting Guidelines	<ul style="list-style-type: none"> <li>• Track record of successful LIHTC development (at minimum 5 completed LIHTC developments),</li> <li>• Positive net assets,</li> <li>• No loss on borrowed funds within the last 10 years, and</li> <li>• Positive net operating results in at least 2 of the last 3 years</li> </ul>
Loan Amount	Up to \$100,000 (based on underwriting)
Interest Rate	Prime + 0.50%, floating
Term	Up to 36 months revolving, followed by a principal repayment period
Payments	Quarterly interest-only payments during the revolving period
Application Fees	\$250 (non-refundable; paid at time of application)
Origination Fees	\$500 (paid at time of closing)
Legal Fees	Predevelopment loans are non-attorney closed loans with minimal, if any, legal fees (less than \$500)
Security	Secured by land when possible; otherwise unsecured
Recourse	Non-recourse
Developer Fee Advance	Draws cannot be used to fund any future developer fee
Loan Disbursements	Minimum draw of \$10,000 with no more than one draw per month
Anticipated Loan Documents	Promissory Note, Loan Agreement, and Right of First Refusal

For more information about this loan program, please contact Dana Boole (919) 420-0063 or by email at [dboole@cahec.com](mailto:dboole@cahec.com).

**NOTE:** Terms may vary slightly from above based on deal specifics.