

RIHousing
Non-Profit Acquisition Bridge Loan Program
Program Outline and Terms

Program Outline

RIHousing will consider requests from non-profit developers for loans to cover costs associated with the acquisition of property for affordable housing development. Developments may be for rental occupancy or homeownership. Loan decisions will be made on a case-by-case basis at RIHousing's sole discretion.

Applicants must submit a completed Acquisition Bridge Loan application for consideration by the Acquisition Bridge Loan Committee, composed of RIHousing staff. Loans for greater than one million dollars (\$1 million) require approval by the Trustees of the Affordable Housing Trust Fund.

Program Terms

Eligible Applicant

A non-profit organization that has a letter of determination from the Internal Revenue Service qualifying it as a Section 501(c)(3) public charity, or is otherwise determined to be exempt from federal income taxation, and that is engaged in providing housing to Low- and Moderate-Income Households, and which organization has not been formed principally for the purpose of obtaining a Predevelopment Loan.

Eligible Uses

Acquisition of real property for the production of affordable housing intended for rental occupancy by Low-Income Households or for purchase by Low- or Moderate-Income Households.

Low-Income Households

Persons or families having aggregate family income equal to or less than eighty percent (80%) of the area or statewide median income (whichever is higher), adjusted for family size, in accordance with standards of the United States Department of Housing and Urban Development (HUD) in effect at the time of approval of the Application.

Moderate-Income Households

Persons or families having aggregate family income equal to or less than one-hundred and twenty percent (120%) of the area or statewide median income (whichever is higher), adjusted for family size, in accordance with standards of the United States Department of Housing and Urban Development (HUD) in effect at the time of approval of the Application.

Maximum Loan Amount	<p>Up to 97% of “as is” appraised value or purchase price, whichever is lower.</p> <p>Appraisals will be commissioned by RIHousing.</p> <p>Loan approval will be based primarily on appraised value, purchase price, and location.</p> <p>Loans for greater than one million dollars (\$1 million) require approval by the Trustees of the Affordable Housing Trust Fund.</p>
Loan Term	<p>Maximum loan term is 12 months. The term may be extended at RIHousing’s sole discretion based on progress against benchmarks.</p>
Interest Rate	<p>The interest rate will be set at closing equal to the 2-year Treasury plus 150bps, subject to modification by program bulletin.</p>
Loan Payment Terms	<p>Interest will accrue and is payable in full upon repayment of the principal balance of the loan.</p>
Ineligible Uses	<p>Work conducted on sites known to be contaminated without an approved EPA remediation plan in place.</p>
Closing Costs	<p>Applicants will be required to pay all necessary and reasonable closing costs incurred by RIHousing, which can be included in the Acquisition Bridge Loan.</p>
Other Loan Terms	<p>Information on the planned development/redevelopment is required in the application, including benchmarks. Benchmarks will be included in the loan documents.</p>