



HOUSING ASSISTANCE COUNCIL

Loan Products

The Housing Assistance Council (HAC) operates a revolving loan fund that provides vital seed money to rural housing developers: community-based, nonprofit organizations, housing development corporations, self help housing sponsors, farm worker organizations, cooperatives, Indian tribes, public agencies, units of local government, public utility districts, and small business and minority contractors. HAC funds help these organizations take the steps necessary to improve housing and living standards for rural, low- and very-low-income households, such as creation of subdivisions and new single- or multi-family housing units, preservation of existing USDA RD 515 units, rehabilitation of existing units, implementation of green building/healthy home design and construction techniques, and improved water and wastewater disposal systems in rural communities.

The Housing Assistance Council's loan fund provides low-cost financing to developers of affordable housing in rural communities nationwide. Funds are currently available at 5.0% interest with a 1.0% service fee; borrowers are responsible for closing costs. The current interest rate for for-profit developers is 8.0%. The standard loan term is one to five years. Loan amounts may not exceed available collateral. Loans must be recoverable from the permanent financing for the project.



Loans must be for projects that include provisions for serving low-income people as defined by federal guidelines. Projects serving low- and very-low income persons will receive priority. At least 51% of the resulting housing units must be affordable to low- or very-low income people. The proposed projects must be located in areas, which are rural in character, with a preference for projects located in towns with populations of less than 25,000. Each of HAC's loan products is briefly described below.

PRE-DEVELOPMENT Loan funds are available for predevelopment expenses associated with the development of affordable housing. Eligible uses include: land options, down payments, architectural and engineering fees, site surveys, soil test borings, market studies, appraisals, environmental engineering studies, archeological clearances, and legal expenses related to site acquisition. Maximum loan term is two years.

SITE ACQUISITION Loan funds are available for acquisition and related costs for the development of affordable housing. Eligible uses are: land options, escrow payments, land purchase, legal expenses associated with site acquisition and other reasonable closing costs. Maximum loan term is five years.

SITE DEVELOPMENT HAC loan funds may finance site development expenses associated with affordable single-family and multi-family development including self-help housing. Eligible expenses are: impact and permit fees, engineering surveys/fees, clearing and grading, wells, septic/water, sewer installation, utility hook-ups, streets, curbs, sidewalks, legal expenses for site development. Maximum loan term is five years.

CONSTRUCTION Loan funds may finance unit construction costs of affordable housing developments. Eligible expenses are: construction materials and labor, construction bonds, construction inspection fees, legal costs, and title and recording fees. The maximum loan amount for construction loans is currently \$750,000 and limited to single-family development. All fees incurred by HAC, including legal costs, hiring of a local construction inspector, title and recording fees, will be charged to the borrower and, if necessary, financed by the HAC loan. Maximum loan term is two years.

PRESERVATION HAC's Preservation Revolving Loan Fund (PRLF) provides HAC borrowers needed capital to preserve and rehabilitate existing United States Department of Agriculture, Rural Housing Service (USDA RHS) Section 514, 515, and 516 multi-family properties. Loan funds may finance short- or long-term costs of preservation, repayment, and rehabilitation of existing USDA RHS Section 514, 515, and 516 properties. PRLF loans may have a term up to 16 years, but may be structured with an amortization period up to 30 years.

HAC is an equal opportunity lender.

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In addition, HAC supports self-help housing initiatives through its partnership with the US Department of Housing and Urban Development (HUD) through an annual SHOP competition, subject to funding availability. If you have never received HAC SHOP funds before, please contact the HAC loan fund staff to be included on HAC's SHOP announcement list.

SELF HELP HOUSING HAC provides funds through the U.S. Department of Housing and Urban Development's (HUD) Self-Help Homeownership Opportunity Program (SHOP) to nonprofit self-help housing providers for land acquisition and infrastructure improvement for the development of self-help units. Organizations must ensure that the homebuyer family's household income is 80% or below the area median income and that they contribute a significant amount of sweat-equity towards the construction of the dwelling. The program requires that 100% of the resulting housing units must be affordable to low- or very-low income people. Funds are made available through a competitive application process and cannot exceed \$15,000 per unit. SHOP funds are at 0% interest. Up to 90% of the award is recoverable when the affiliate has satisfied the terms and conditions of the affiliate agreement. The recoverable portion may become a grant for the group to establish its own revolving loan fund for future site acquisition and development of self-help housing or to provide direct subsidies to participating homebuyer families. SHOP funds are subject to HUD Environmental Review, Energy Star, WaterSense, and OSHA regulations.

Application Process: If you are interested in applying for HAC loan funds, are seeking additional information regarding applicant and project eligibility, or requesting an application package, please contact Tanisha Jacob, Loan Fund Assistant, at (202) 842-8600, ext. 128. Applications, with the exception of SHOP, are accepted on a rolling basis.

All applications must be submitted to HAC's National Office at 1025 Vermont Avenue, NW, Suite 606, Washington, DC 20005, Attention: Frank Martinez, Senior Loan Officer. Information about HAC and state and federal loan programs may be obtained from the same address or from the HAC Regional Offices. Please visit our website at www.ruralhome.org for more information.

Project Location

Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee

Arizona, Colorado, New Mexico, Texas, Utah, Wyoming

Alaska, California, Hawaii, Idaho, Montana, Nevada, Oregon, Washington

Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin

Connecticut, Delaware, Kentucky, Maine, Maryland, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia

Regional Office Location

HAC Southeast Office
Carolyn Branton, Director
600 W. Peachtree Street, NW, Suite 1500
Atlanta, Georgia 30308
(404) 892-4824 / fax (404) 892-1204
southeast@ruralhome.org

HAC Southwest Office
Gene Gonzales, Director
3939 C San Pedro, N E, Suite C-6
Albuquerque, NM 87110
(505) 883-1003 / fax (505) 883-1005
southwest@ruralhome.org

HAC Western Office
Karl Ory, Director
717 K Street, Suite 404
Sacramento, Ca. 95814
(916) 706-1836 / fax (916) 706-1849
karl@ruralhome.org

HAC Midwest Office
Nicole Opfer, Director
10100 N Ambassador Drive, Suite 310
Kansas City, MO 64153
(816) 880-0400 / fax (816) 880-0500
midwest@ruralhome.org

HAC National Office
Montika Brooks, Special Projects Assistant
1025 Vermont Avenue, NW, Suite 606
Washington, DC 20005
(202) 842-8600 / fax (202) 347-3441
montika@ruralhome.org

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LOAN REVIEW PROCESS

Applications are accepted on a rolling basis. However, please note that applications generally take six to nine weeks to underwrite prior to a loan committee review. Also, HAC is not able to accept electronic applications. The address of HAC's national office is:

**Housing Assistance Council
Attn: Senior Loan Officer
1025 Vermont Avenue NW
Suite 606
Washington, DC 20005**

HAC staff is available to provide technical assistance in completion of the HAC application. Please contact Dierdra Pressley, Loan Officer, Frank Martinez, Senior Loan Officer, or Tanisha Jacob, Loan Fund Assistant, at (202) 842-8600, regarding HAC lending questions.