



## NSP2-Powered Multifamily Lending

### ABOUT THE PROGRAM

As part of its Foreclosure Recovery Initiative, Self-Help leverages its Neighborhood Stabilization Program award to make competitively-priced loans for qualified affordable multifamily residential projects. We offer flexible terms to qualified borrowers and projects, structuring loans around the unique needs of the project. While every loan is different, the following parameters generally apply.

### ELIGIBLE LOCATIONS

The project to be financed must be located in a qualified census tract in one of the following Self-Help program areas:

- Los Angeles County, California
- Bay Area and Northern Central Valley, California
- Chicago metropolitan area, Illinois
- Atlanta metropolitan area, Georgia
- City of New Haven, Connecticut

### ELIGIBLE USES

This loan product is intended for projects whose main purpose is to provide affordable multifamily rental housing with at least some percentage of the units targeting residents with incomes of fifty percent of the area media income (50% AMI) or less. All units must be affordable to residents earning 120% AMI or less. Eligible projects include the following:

- ✓ Acquisition and rehabilitation of foreclosed or bank-owned multifamily residences
- ✓ Acquisition and rehabilitation of multifamily residences in danger of foreclosure
- ✓ Acquisition and rehabilitation of vacant or abandoned multifamily residences
- ✓ Conversion of vacant or abandoned buildings for reuse as multifamily residences
- ✓ New construction of multifamily residences on vacant or abandoned land that had previously been residential

### LOAN TYPES

- ✓ Acquisition
- ✓ Construction/rehabilitation
- ✓ Construction to permanent
- ✓ Permanent

### LOAN TERMS

Loans and corresponding loan terms are evaluated on a case-by-case basis. While additional flexibilities may be possible, standard terms are as follows:

- Loan size: \$1,000,000 to \$10,000,000
- Term: Up to 10 years
- Amortizations: 12 to 24 month interest-only period on construction to permanent loans, converting to 25 to 30 year amortization upon stabilized debt service coverage.
- Interest rates: Variable or fixed. Variable rates at 3-month LIBOR plus 350 - 450 basis points. Fixed rates at 350 - 450 basis points over comparable term USD Swap Rate.
- Origination fee: 1%
- Construction loan administration fee: 0.5% - 1.0%

- Debt service coverage: 1.20 minimum
- Loan to value: 70% to 80% maximum

### PROGRAM COMPLIANCE REQUIREMENTS

This loan product is credit enhanced with HUD CDBG funds. Federal compliance requirements apply. These include, but are not limited to:

- ✓ HUD environmental review prior to commitment of funds
- ✓ Davis-Bacon Act wage requirements
- ✓ Section 3 hiring requirements
- ✓ Energy efficiency standards
- ✓ 15 year affordability restrictions

### TO SEE IF YOUR PROJECT QUALIFIES, PLEASE CONTACT:

Nick Auten • 202-349-1852 • [nicholas.auten@self-help.org](mailto:nicholas.auten@self-help.org)  
Catherine Godschalk • 202-349-1866 • [catherine.godschalk@self-help.org](mailto:catherine.godschalk@self-help.org)

*Learn more about Self-Help at [www.self-help.org](http://www.self-help.org)*