

Western North Carolina Affordable Housing Loan Fund

We underwrite each project individually, but the information below provides a point of reference for fund loan parameters.

Revolving Bridge Financing for Affordable Housing		
Description	The revolving bridge product is designed to bridge a) existing Legally Binding Affordability Restricted (LBAR) properties approaching the end affordability restrictions, b) Naturally Occurring Affordable Housing (NOAH) to take-out financing that will preserve affordability and c) acquisition of real estate for future affordable housing development.	
Eligible Borrowers	Sole proprietors, partnerships, LLCs, corporations, nonprofit or for-profit entities. Borrowers must have recent, relevant affordable housing development experience.	
Eligible Purposes	Acquisition and closing costs, with limited predevelopment or urgent repairs to stabilize the property/properties. Properties must be located within one of the following North Carolina counties: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell Mitchell, Polk, Rutherford, Swain, Transylvania, and Yancey as well as the Qualla Boundary.	
Loan Amount & Loan-to-Value	Nonprofit Developers	For-Profit Developers
	A minimum of \$500,000 and up to the lesser of: (1) \$7,000,000 or (2) 100% of the appraised value (appraised value cannot exceed purchase price for acquisition projects without renovation). If needed, up to an additional 10% of the appraised value may be considered to fund urgent repairs and/or predevelopment expenses.	A minimum of \$500,000 and up to the lesser of: (1) \$7,000,000 or (2) 90% of the appraised value (appraised value cannot exceed purchase price for acquisition projects without renovation).
Affordable Housing Requirements	Nonprofit	For-Profit
	At origination, borrowers must have a feasible business plan demonstrating the Project will create or preserve affordable housing units per the definitions below, actively work towards executing this business plan during the term of the loan and agree to accept recorded affordability covenants on the property at the time of refinancing to preserve affordability.	Borrower will accept affordability covenants and deed restrictions on the property with a duration of 10 years at closing of the loan per the definitions below.
Affordability Definitions	Affordable units must serve households at or below 80% Area Median Income (AMI), with a preference for serving households at or below 60% AMI and avoiding displacement of existing low-and-moderate income tenants. Affordability is based on households paying no more than 30% of gross income on housing related expenses. Mixed income developments are eligible and will be considered on a case-by-case basis based on the level of affordability proposed. At a minimum, 50% of units must be affordable to 80% AMI households, which will include 20% of units affordable at 60% AMI households if the property is located in the City of Asheville.	
Term	Up to five years. Payments will be interest only during the term.	
DSCR	Projected Debt Service Coverage Ratio (DSCR) of 1.1:1.0 during the loan term based on all loans. May be waived if the Borrower/Guarantor has sufficient cash flow and/or liquidity to demonstrate a projected DSCR of 1.2:1.0 on the Borrower's total debt to include the loan for the financed property.	
Pricing	The interest rate will be fixed for the term of the loan at 2.95%. A non-recourse product option with no personal or entity guarantees is available with an interest rate of 4.45%.	
Prepayment	No prepayment premium	
Fees	- Origination fee: 1.0%, half due as commitment fee upon approval of loan - Application fee: \$2,500, non-refundable & due prior to underwriting, credited against origination fee.	
Guaranty	- A payment and performance guaranty is required of the corporate parent(s) or sponsor of the borrower and principals of any for-profit borrower, corporate parent or sponsor. - Borrowers may select the non-recourse/no personal or entity guaranty option with the higher interest rate.	

Loan inquiries contact Traci Thompson: traci.thompson@self-help.org

Version date 3/3/2026

Western North Carolina Affordable Housing Loan Fund

We underwrite each project individually, but the information below provides a point of reference for fund loan parameters.

Permanent Mezzanine Financing for Affordable Housing		
Description	The permanent mezzanine product is designed to provide subordinate (<i>second lien</i>) financing that, when combined with market-rate senior debt, helps preserve the affordability of Naturally Occurring Affordable Housing (NOAH) or create and maintain the affordability of Legally Binding Affordability Restricted housing (LBAR).	
Eligible Borrowers	Sole proprietors, partnerships, LLCs, corporations, nonprofit or for-profit entities. Borrowers must have recent, relevant affordable housing development experience.	
Eligible Purposes	Permanent financing for affordable housing to include, if needed, rehabilitation expenses. Properties must be located within one of the following North Carolina counties: Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell Mitchell, Polk, Rutherford, Swain, Transylvania, and Yancey as well as the Qualla Boundary.	
	Nonprofit Developers	For-Profit Developers
Loan Amount & Loan-to-Value	A minimum of \$500,000 and up to the lesser of: (1) \$7,000,000 or (2) 30% of the appraised value (appraised value cannot exceed purchase price for acquisition projects without renovation) - where value is the lesser of cost or value. Maximum combined loan to value for all debt is 95%. Loan must be in second lien position or senior.	A minimum of \$500,000 and up to the lesser of: (1) \$7,000,000 or (2) 25% of the appraised value (appraised value cannot exceed purchase price for acquisition projects without renovation). Maximum combined loan to value for all debt is 90%. Loan must be in second lien position or senior.
Affordable Housing Requirements	Borrower must accept affordability covenants and deed restrictions on the property with a duration of 20 years at closing of the loan per the definitions below.	
Affordability Definitions	Affordable rental units must serve households at or below 80% Area Median Income (AMI), with a preference for serving households at or below 60% AMI and avoiding displacement of existing low-and-moderate income tenants. Affordability is based on households paying no more than 30% of gross income on housing related expenses. Mixed income developments are eligible and will be considered on a case-by-case basis based on the level of affordability proposed. At a minimum, 50% of units must be affordable to 80% AMI households, which will include 20% of units affordable at 60% AMI households if the property is located in the City of Asheville.	
Term	Up to fifteen years. Payments will be interest only during the term.	
DSCR	Projected Debt Service Coverage Ratio (DSCR) of 1.1:1.0 during the loan term based on all loans.	
Pricing	The interest rate will be fixed for the term of the loan at 2.45%. A non-recourse product option with no personal or entity guarantees is available with an interest rate of 3.95%; waived for projects incorporating new Low Income Housing Tax Credit equity.	
Prepayment	No prepayment premium	
Fees	- Origination fee: 1.0%, half due as commitment fee upon approval of loan - Application fee: \$2,500, non-refundable & due prior to underwriting, credited against origination fee.	
Guaranty	- A payment and performance guaranty is required of the corporate parent(s) or sponsor of the borrower and principals of any for-profit borrower, corporate parent or sponsor. - Borrowers may select the non-recourse/no personal or entity guaranty option with the higher interest rate.	
Capital Asset Replacement Reserves	Not less than \$300 per residential unit per year; can be waived if already required by the first-lien lender.	

Loan inquiries contact Traci Thompson: traci.thompson@self-help.org

Version date 3/3/2026