



## Flexible Credit Financing Program

### Terms and Conditions

The purpose of the Flexible Credit Financing Program is to provide bridge financing where firm takeouts exist (*cannot be used to bridge other funding from the Initiative or Initiative Capital*).

#### **LENDING GUIDELINES**

Use of Funds:	Bridge financing where there exists an identifiable and assignable source of repayment.
Borrower Requirements:	<p>Eligible Borrowers – All community-based, non-profit CDCs and other non-profit developers whose mission is to promote community economic development, including partnerships, joint ventures and corporations in which the non-profit or its affiliate has a meaningful participation.</p> <p>In exceptional, unique instances, for-profit developers are, also, eligible with associated projects that can demonstrate community impact (see Initiative Capital Community Impact Criteria for complete description).</p> <p>Borrower Guarantees – Corporate guarantee of the borrower required.</p>
Eligible Project Types:	Multi-family housing, office, retail, industrial, community facilities, incubators, and other similar projects.
Loan Amount:	Up to \$250,000
Term/Amortization:	Coincides with the payment date of the secured item, but in no case greater than 12 months, unless approved by Initiative Capital Board of Directors.
Interest Rate:	Will be determined by a risk-assessment model that evaluates borrower track record, borrower financial strength and management, and project risk. The lowest interest rate that will be quoted will be the greater of the prevailing Prime rate during the underwriting period or 6%.
Loan Fees:	<p>Origination Fee – The greater of 1% of the loan amount or \$500</p> <p>Legal Fees – Will not exceed \$2,500 unless notice is provided</p>

Security:	At the discretion of Initiative Capital
Down Payment:	At the discretion of Initiative Capital
Prepayment Penalty:	No prepayment penalty will be accessed.
Community Impact:	<p>Underlying project must demonstrate community impact. Please see Initiative Capital Community Impact Criteria for complete descriptions.</p> <ol style="list-style-type: none"> <li>1. Job Retention and Creation</li> <li>2. Revitalization or Stabilization of Low- to Moderate-Income Communities</li> <li>3. Project Locations in Targeted Business Development Areas</li> <li>4. Serving Disadvantaged Populations as Business Owners</li> <li>5. Servicing Not-for-Profit Businesses</li> </ol>
Additional Documentation Requirements:	As determined by Initiative Capital on a case-by-case basis



**About Initiative Capital:**

*The North Carolina Community Development Initiative Capital, Inc. is a community-based financial intermediary certified as a Community Development Financial Institution (CDFI) by the CDFI Fund. Formed in 1999, it works very closely with its parent company, the North Carolina Community Development Initiative, Inc. Together, these nonprofit institutions provide capital and technical assistance to community development corporations (CDCs) and other locally-controlled nonprofit organizations that seek to revitalize low-income communities throughout North Carolina.*

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