



Land Acquisition Financing Program

Terms and Conditions

The purpose of the Land Acquisition Financing Program is to allow borrowers to acquire undeveloped land or land with highly depreciated improvements for development or redevelopment purposes (*not for speculative purposes*).

LENDING GUIDELINES

Use of Funds:	Land acquisition financing to secure a strategic site before it is possible to obtain construction and/or development financing (primary source of repayment). A loan extension may be considered at a point a project is well defined.
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:	Land consistent with the strategic development plan of the borrower.
Loan Amount:	Up to \$500,000 (could be increased at the discretion of Initiative Capital BOD); loan amount cannot exceed the lesser of the appraised value of the land or land cost.
Term/Amortization:	Up to 36 months; interest-only payments possible
Interest Rate:	Prime Rate (as published by the WSJ) fixed at closing
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:	Loan will be secured by the property and recourse in nature

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