



Commercial and Multi-Family Real Estate Permanent Financing Program

Terms and Conditions

The purpose of the Commercial and Multi-Family Real Estate Permanent Financing Program is to provide borrowers another financing option for permanent financing for commercial and multifamily real estate project either independently or in tandem with other lenders and funders.

LENDING GUIDELINES

Use of Funds:	Permanent financing for commercial and multi-family real estate developments.
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>Loan-To-Value (LTV) Ratio – Up to 80% LTV (calculated using all project debt)</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 \$500,000 (could be increased with special permission by Initiative Capital Board of Directors)
Term/Amortization:	Not to exceed seven (7) years / Not to exceed twenty (20) years
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: Origination Fee – The greater of 1% of the loan amount or \$500
Legal Fees – Will not exceed \$2,500 unless notice is provided
- Security: Loan must be secured by a lien on the real estate being financed and will be recourse in nature.
- Down Payment: Will be determined based on needs of the project and underwriting.
- Valuation: Current appraisal required for financing packages in excess of \$250,000. Appraisal or alternative valuation method (approved by Initiative Capital) required for loans less than \$250,000.
- Prepayment Penalty: No prepayment penalty will be assessed.
- Community Impact: Loan must demonstrate community impact. Please see Initiative Capital Community Impact Criteria for complete descriptions.
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
- Documentation Requirements: For a complete list, see Loan Submission Checklist.

- Loan application form
- Title insurance
- Evidence of hazard insurance coverage
- Most recent three years financial statements (audited if available) and tax returns and minimum one year forecast financial statements
- Most recent company prepared interim financial statements
- Recent appraisal for all loans greater than \$250,000, alternative evidence of property valuation (approved by Initiative Capital) for loans under \$250,000
- Business and/or personal credit report with credit score for company principals.
- Other documents as required



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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