



Single Family Acquisition & Interim Construction Loan Application

The Texas State Affordable Housing Corporation (the “Corporation”) accepts applications to the Single Family Acquisition and Interim Construction Loan Program (the “Program”) on an ongoing basis. The Program supports the Corporation’s mission to promote equal access to safe, decent, and affordable housing by providing initial short-term financing for site acquisition and interim construction to non-profit and for-profit developers for the purpose of increasing and preserving the stock of affordable housing for homeownership throughout the state of Texas.

The Corporation shall only consider proposals for a development (“Development”) that involves the sale of housing units to unrelated third party households. This includes Developments involving, but not limited to, single-family or multifamily residential structures, condominiums, limited equity co-operatives, subdivisions, infill construction, new construction and rehabilitation.

Loan proceeds may be used for the acquisition of real property, on-site infrastructure, and the construction or rehabilitation of housing units. Loan proceeds may not be used for off-site infrastructure, administrative costs, general operating costs, or developer fees and profits.

The Corporation will only accept applications when there are available sources of funds for the Program. In the event that there are not sufficient funds available for a Development, the Corporation shall return any commitment fees submitted by a borrower.

Applicants are required to review the Program’s policies before submitting any application. The Program’s policies are available on the Corporation’s website at:

http://tsahc.org/multi/single_interim_construction.php

REO Capital Program

This application may also be used for the REO Capital Program. An addendum to this application is included. The REO Capital program is a limited purpose program designed to provide short term financing for the acquisition and rehabilitation of foreclosed properties. Applicants to this program will also be considered for participation in the Corporation’s Affordable Community of Texas program (“ACT”). The ACT program can provide assistance to qualified local partner with foreclosure listings in their area and discounted pricing on acquisitions.

Application for Single Family ICAP

Office Use Only

Application #:

Application Date:

Applicant Information

Name:

Address:

City:

State:

Zip:

Phone:

Fax:

Principal Name:

Email:

Phone:

Fax:

Principal Name:

Email:

Phone:

Fax:

Applicant Structure

☐ For Profit

☐ Non-Profit

☐ Municipal

☐ Hsg. Authority

☐ Corporation

☐ Ltd. Partnership

☐ LLC

☐ General Partnership

☐ Owner/Builder

☐ Property Manager

General Property Information

Name:

Location / Address:

City:

County:

Zip:

☐ QCT

☐ DDA

☐ New Construction

☐ Acq. / Rehabilitation

☐ Rehab Only

Funding Request.

Developers shall complete the table below and all other relevant information requested.

Source of Funds	Amount	Proposed Rate	Term (mos.)
TSAHC Lending Request			
Total of Other Funds			
Total of All Funds Available			

What is the anticipated funding date of loan?

Program:

☐ **ICAP**

or

☐ **REO Capital Fund**

Narratives & Attachments

Applicants must provide each of the following narratives and attachments divided by tabs and numbered in the following manner.

- Tab 1. Project Description – A narrative of the planned Development that includes the location, number of units, target population, financial participants and overall plan for the Development. Provide the site location information including address, legal description, area map, census tract map, flood certification (if available) and evidence of zoning. Applicants may also submit site plans and building specifications for the planned Development.
- Tab 2. Project Affordability – Identify income levels being served (i.e. 80% and below AMFI), and include details of how housing will be made affordable to this income group (i.e. down payment assistance, home pricing, other subsidies). Please note that the Corporation requires that a percentage of total units to be developed will be sold at an affordable price to persons earning 80% or less than the area median income.
- Tab 3. Funding Request – Provide a statement of the loan amount being requested from the Corporation. Specify the terms, interest rate and specific uses of the funds. The Corporation's loan term and repayment timeframe is 18-24 months. Include your anticipated repayment schedule for identified project funding sources.
- Tab 4. Project Budget/Financing – Identify all current or planned sources of funding for the project. Include any funding that has been applied for and/or committed by other funders. Provide an estimate of total development costs including site acquisition, infrastructure, engineering, hard costs for construction, sales projections, etc...
- Tab 5. Project Ownership – Provide background information on your corporation including the structure/type of company you represent, contact information, and if you represent a qualified non-profit entity please include a copy of the corporation's 501(c)3 certificate of nonprofit status from the Internal Revenue Service.
- Tab 6. Project Site Control – State the current status of site control for the property. If you do not own the project site, please include a copy of the earnest money contract, sales contract, or other site control documentation. If you own the property please state so in the narrative.
- Tab 7. Experience of Applicant - Applicants must provide a narrative describing their experience in residential construction, land development and affordable housing development. Include specifics about previously completed projects, financing used, affordability requirements and a list of at least three references from financial supporters or compliance agencies that have worked with you in the past. If the Applicant is acting only as the developer and will be contracting other services, please provide a list of the proposed contractors, architects, engineers and other parties proposed to be involved in the Development.
- Tab 8. Community Support - Applicants must provide a narrative detailing their efforts to build community support for the proposed Development. Include details of any public hearings, meetings or discussions with community organizations, local governments or stakeholder groups. Applicants should also be prepared to submit any letters of support from political officers or political bodies (i.e. school boards, city councils, county commissions, neighborhood associations, etc...)

Certifications

- Applicant and Applicant's principal(s) shall be held to all representations made in this application.
- Applicant and Applicant's principal(s) certify to the best of their knowledge that all previously owned and/or developed affordable housing properties are compliant with all federal, state, or local affordable housing program(s) from which their Developments received funding.
- Applicant and Applicant's principal(s) certify that the proposed Development will:
 - Reserve for-sale housing units for a minimum number of households earning 80% or less than the AMI ("Qualified Households") based on the percentage of funds provided by the Corporation, the nature of the investment, and any other factors the Corporation deems necessary (the "Affordability Requirements").
 - All housing developed, regardless whether the buyer is a Qualified Household or not, must be financed with fixed rate loans. No homes may be sold with the use of non-profit or developer grants or down payment assistance that exceeds 5% of the appraised value of the home, unless otherwise approved in writing by the Corporation. Borrowers that do not fulfill Affordability Requirements will be subject to additional fees, fines or payments as determined by the loan agreement.
- Applicant and Applicant's principal(s) certify that they have read and fully understand the Corporation's loan policies, and that all Development(s) financed by the Corporation will be required to meet the Corporation's Development standards.
- Applicant and Applicant's principal(s) certify that it will be responsible for all fees and expenses in connection with this application and any future applications or approvals of any loans associated with this application.
- Applicant and Applicant's principal(s) understand that this application does not represent a commitment on behalf of the Corporation to participate, fund or loan financial resources to any proposed Development(s). Rather, this is an indication that the Corporation will review and consider the proposed Development(s) for financing subject to the Applicant's (1) readiness to proceed, (2) compliance with the Corporation's policies, (3) cooperation in providing any and all requested information, and (4) execution of a final loan commitment by the Corporation.
- Applicant and Applicant's principal(s) certify that they understand that any preliminary official action of the Corporation, commitment, or award by the Corporation may be terminated by the Corporation by written notice at any time.
- Applicant and Applicant's principal(s) certify that the signature below was provided by a person authorized by the Applicant and Applicant's principal(s) to sign and submit this application.

By: (print name of authorized representative)

Signature:

Date:

Application Fee

The Corporation requires an application fee of \$500. Please make checks payable to the **Texas State Affordable Housing Corporation** and include the development name in the memo section. Applications will not be accepted for review without an application fee payment.

REO Capital Program Guidelines

The REO Capital program was developed to support neighborhood stabilization efforts across the United States by providing a source of private financing for entities involved in the acquisition and rehabilitation of foreclosed properties. TSAHC is happy to announce that we are now a partner with the REO Capital Fund and have access to more than \$50 million in capital to stabilize struggling neighborhoods across Texas.

The program uses a revolving line of credit structure to finance the acquisition and rehabilitation of foreclosed homes. All homes financed under the program must be sold to qualified low (80% AMI) and moderate (120% AMI) income households. While it is similar to the ICAP loan program, REO Capital loans provide greater flexibility on affordability targets and can provide a much larger source of capital for borrowers.

Here are some of the terms and conditions for underwriting and loan commitment:

- Loan applications can be submitted at any time, as long as funding is available through the REO Capital Fund. Prospective Borrowers should contact TSAHC to confirm availability of funding before completing an application.
- TSAHC is an approved underwriter for the REO Capital Fund and completes all application review and approvals in house. The anticipated turn around for new loans is 90 days from application to closing.
- REO Capital loans are full recourse to the Borrower or Borrower's sponsoring entity. A guarantee for repayment will be required at closing.
- The term of all REO Capital loans is 36 months. Borrowers must purchase all properties to be placed on the line of credit within 18 months of closing.
- The interest rate for all REO Capital loans is 6%.
- Affordability requirements are similar to TSAHC's ICAP program. At least 50% of all homes acquired must be sold to qualified low-income households earning 80% or less than the area median income. All homes must be sold to homebuyers that have received homebuyer education certificates from an approved homebuyer education provider and who will use a fixed rate mortgage product as their source of permanent financing.
- The size of all REO Capital loans will range from \$750,000 to \$10 million.
- The maximum loan to value ratio on each acquired property is 85% of the current appraised value. Borrowers must also provide cash equity for 20% of the proposed acquisition and rehab costs.

Prospective Borrower's should contact TSAHC staff before submitting an application. Any conflicts between the REO Capital and ICAP loan program guidelines, rules or policies, will be resolved at the sole discretion of TSAHC. For more information on the REO Capital Program and the terms and conditions, please visit our website at:

http://www.tsahc.org/multi/single_interim_construction.php