



## OHIO CAPITAL FINANCE CORPORATION

For information, please contact:  
Ohio Capital Finance Corporation  
88 East Broad Street, Suite 1800, Columbus, Ohio 43215  
614.224.8446 (p) 614.224.8452 (f)

# The Ohio Affordable Housing Loan Fund

## PURPOSE

The Fund provides a flexible source of capital to be utilized by development partners of the Ohio Capital Corporation for Housing (OCCH) for use as: *predevelopment funding* (architectural drawings, permitting, professional fees, environmental investigation, engineering), *acquisition financing* for existing projects or vacant land, *bridge financing* for projects that have completed the tax credit compliance period and *homeownership financing* for site infrastructure development as it relates to single family homeownership.

## LENDER

The Lender is the Ohio Affordable Housing Loan Fund, LLC. It is comprised of investors and participants (PNC Community Partners, US Bank CDC, Key CDC, National City Bank CDC, Fifth-Third Bank, WesBanco, The Huntington CDC, Sky Bank, and National Coop Bank) and the Ohio Capital Finance Corporation (an affiliate of the OCCH.)

## GENERAL REQUIREMENTS AND GUIDELINES

- All projects must be located in Ohio or Kentucky.
- All projects must have a valid reservation of tax credits if applying for a tax credit loan product.
- All projects must have at least 80% of the units affordable to and occupied by residents earning less than 60% of the area median income.
- All projects must be either multifamily or single family properties.
- The minimum loan amount is \$10,000.
- Borrowers may be comprised of nonprofit, public housing authority or for-profit entities.
- All projects must include at least 15 units; however, only two units will be required for the Single Family Homeownership Loan
- Interest accrues and is due and payable along with 100% of the principal upon repayment of the loan.
- The borrower must guarantee to syndicate with an Ohio Equity Fund or one of the investors/participants of the Fund.
- Loan extensions for predevelopment and acquisition loans may be granted upon a written request from the borrower.
- An Origination Fee and Serving Fee each equal to greater of 1% of the loan amount or \$1,000 are due at loan closing. These fees may be borrowed and may be in addition to the loan amount.
- Borrower is responsible for title and recording fees.
- Loan Funds may not be utilized to pay for developer fees, overhead or operations.
- The maximum lending limit per loan is \$1,000,000.
- The maximum lending limit per borrower is \$3,000,000.
- There are no prepayment penalties with any loan.
- A borrower may utilize both an acquisition loan and predevelopment loan.

To apply for a loan from the Fund, please go to [http://www.occh.org/predevelopment\\_lending](http://www.occh.org/predevelopment_lending)  
Contact your OCCH Development Officer or Jon Welty at 614.224.8446 to receive a one-page application.

# TAX CREDIT PRODUCTS

## TERM SHEET

|                             | <b>Tax Credit<br/>Pre-Development/Acquisition Loan</b>   | <b>Year 15 Bridge Loan</b>   |
|-----------------------------|--|--|
| <b>Eligibility</b>          | Limited to developers who have received Tax Credit Reservations and have expressed interest in syndicating the project with Ohio Equity Fund for Housing; (PNC Community Partners, US Bank CDC, Key CDC, National City Bank CDC, Fifth-Third Bank, WesBanco, The Huntington CDC, Sky Bank, and National Coop Bank) and the Ohio Capital Finance Corporation; preference for developers who have closed on at least one Ohio Equity Fund for Housing project. | Limited to non-profit developers who have syndicated at least one project with Ohio Equity Fund for Housing; (PNC Community Partners, US Bank CDC, Key CDC, National City Bank CDC, Fifth-Third Bank, WesBanco, The Huntington CDC, Sky Bank, and National Coop Bank)  |
| <b>Amount</b>               | Pre-Development Loan:      Maximum \$150,000<br>Acquisition Loan:            Maximum \$1,000,000   | Loan Maximum:      \$1,000,000   |
| <b>Use</b>                  | Cover interim costs such as reservation fee, site option/acquisition costs, Engineering and design fees, professional fees, bank commitment fees, etc.   | To payoff the balloon of a first mortgage before a project can be refinanced, sold to a third party, or resyndicated   |
| <b>Interest Rate</b>        | Variable at Prime minus 50bps at closing   | Variable at Prime minus 50bps at closing; becomes Prime plus 2% per annum if loan is not repaid in 18 months   |
| <b>Term</b>                 | The earlier of the construction loan closing or 24 months  | Less than 24 months  |
| <b>Terms and Conditions</b> | <ol style="list-style-type: none"> <li>1. Subject to availability of funds in loan pool</li> <li>2. Borrower is the LP or LLC entity that received an award of tax credits</li> <li>3. Borrower must demonstrate that project will meet OCCH underwriting guidelines for investment (financial feasibility, market compatibility, local political support, etc.)</li> </ol>  | <ol style="list-style-type: none"> <li>1. Subject to availability of funds in loan pool</li> <li>2. Preference for developers who are sponsoring a project with an allocation of tax credits that will meet OCCH investment underwriting guidelines</li> <li>3. Sponsor must provide an acceptable draft disposition plan identifying the take-out loan</li> </ol> |
| <b>Collateral</b>           | First or second mortgage and/or repayment guarantee by non-profit or for-profit developer (a recourse loan)  | First or second mortgage and repayment guarantee by (a recourse loan)  |
| <b>Loan to Value</b>        | Not applicable for Predevelopment Loans<br>Acquisition Loans are limited to 100% of purchase price   | Less than 75%  |

# NON TAX CREDIT PRODUCTS

## TERM SHEET

|                             | <b>Non Tax Credit<br/>Pre-Development/Acquisition Loan</b>   | <b>Homeownership Loan</b>  |
|-----------------------------|--|--|
| <b>Eligibility</b>          | Limited to experienced developers who have completed similar projects in the past and have a relationship with Ohio Capital Corporation for Housing, PNC Community Partners, US Bank CDC, Key CDC, National City Bank CDC, Fifth-Third Bank, WesBanco, The Huntington CDC, Sky Bank, and/or National Coop Bank.  |  |
| <b>Amount</b>               | Pre-Development Loan:      Maximum \$100,000<br>Acquisition Loan              Maximum \$1,000,000  | Loan Maximum:      \$500,000   |
| <b>Use</b>                  | Cover interim costs such as site option/acquisition costs, engineering and design fees, legal fees, bank commitment fees, etc.   | For site infrastructure development as it relates to single family homeownership   |
| <b>Interest Rate</b>        | Variable at Prime minus 50bps at closing   | Variable at Prime minus 50bps at closing; becomes Prime plus 2% per annum if loan is not repaid in 18 months   |
| <b>Term</b>                 | The earlier of the construction loan closing or 24 months  | Less than 24 months  |
| <b>Terms and Conditions</b> | <ol style="list-style-type: none"> <li>1. Subject to availability of funds in loan pool</li> <li>2. Borrower is the LP or LLC</li> <li>3. Borrower must demonstrate that project will meet OCCH underwriting guidelines for investment (financial feasibility, market compatibility, local political support, etc.)</li> <li>4. Borrowers are required to provide match funding which may be borrowed</li> </ol> | <ol style="list-style-type: none"> <li>1. Subject to availability of funds in loan pool</li> <li>2. For proposed project, the developer must demonstrate financial feasibility and market feasibility based upon a market study or rent comparison.</li> <li>3. Borrowers are required to provide match funding which may be borrowed</li> </ol> |
| <b>Collateral</b>           | First or second mortgage and/or repayment guarantee by non-profit or for-profit developer (a recourse loan)  | First mortgage and repayment guarantee by (a recourse loan)  |
| <b>Loan to Value</b>        | Not applicable for Predevelopment Loans<br>Acquisition Loans are limited to 90%  | Less than 90%  |

