AHFC Summary of Terms Draft

The following spreadsheet provides the range of terms for loans under the RHDA & OHDA Programs. Though many projects' loan terms will mirror the term structure outlined here, applicants should be aware that ALL projects are considered on a case-by-case basis and will be evaluated on their individual cash flows, capital stack, level and type of debt, risks, and merits.

	RHDA			OHDA	
	Special Services (PSH/COC)	New Construction	Rehabilitation	Single Family	Multi Family
HDA Loan Type	New Construction, Rehab	New Construction	Rehabilitation	New Construction, Rehab	New Construction, Rehab
Maximum HDA Loan per AHFC Unit (including any units subsidized by AHFC programs, not just those subsidized under the HDA Program)	$130,000 per unit	$120,000 per unit		$200,000 per unit	
Minimum Affordability Period	40-99 years			99 years	
Maximum HDA Loan Term	42-101 years			3-10 years	
Closing Timeline	1 year limit after award to close on construction loan (optional 6 month extension pending AHFC approval)				
Draw Period	2 years with an option for an additional 1 year extension (federal requirements will take priority if standards differ)				
Minimum and Maximum Debt to Service Cover Ratio	Debt coverage ratio (DCR) in Year 1 (stabilized) should be between 1.15 and 1.25, unless the proposed development contemplates having no debt, in which case a DCR may not be required.			N/A	
Leverage (A maximum leverage ratio for HDA assisted development is established as no more than the specified percent of the total development cost. A lower ratio represents a greater leveraging of HDA funds.)	40% maximum leverage ratio	35% maximum leverage ratio		50% maximum leverage ratio	
Interest Rate (Simple)	0% Non-Profit, 1% For-Profit	1% Non-Profit, 2% For-Profit		0%	
Interest Payment from Cash Flow	Paid from 50% of excess cash flow after DDF	Paid from 50% of excess cash flow after DDF	Paid from 50% of excess cash flow after DDF	N/A	
Payment	Balloon	Cash Flow, Balloon	Cash Flow, Balloon	Forgivable	Forgivable
Prepayment	No penalties				
Position	Lien position negotiated at closing, seniority of soft debt determined by loan size.				
Recourse	Non-recourse (except for acts of willful malfeasance by the borrower or its partners/members)				
Guaranty	May be required			May be required	
Reserves	$300+ per year per unit			N/A	
Loan Call	At sale or equity cash out				
Excess Proceeds	Must be used to repay RHDA Loan				
Developer Fee	Developer fee may be no more than 15% of the eligible basis minus developer fee (see developer fee % in the excel application). The developer fee % at application will be the maximum allowed in the post construction accounting				