



Affordable Housing Predevelopment Loan

Purpose	To provide flexible capital to affordable housing developers to cover certain soft costs undertaken to develop or preserve affordable housing, including market studies, appraisals, environmental reports, architect and engineering fees, and other related expenses.
Eligible Borrower	Certain nonprofit or for-profit affordable housing developers or affiliated entities whose mission is to develop quality affordable housing for low- income populations, or single purpose project partnerships that are owners of LIHTC properties.
Eligible Properties	Certain affordable residential rental housing that serves individuals or households earning up to 80% of the Area Median Income (“AMI”).
Affordability Requirements	At least 75% of the units must serve residents earning at or below 80% of AMI. If the underlying property has a low-income housing tax credit (“LIHTC”) allocation, affordability levels must meet LIHTC requirements.
Loan Amount	Up to \$ 5 million.
Loan Term	Up to 2 years.
Interest Rate	Based on current market conditions.
Loan Fees	Origination fee: Up to 1% of loan amount Borrower is responsible for all third-party legal fees and expenses
Repayment	Interest-only, payable quarterly, with a minimum amount due equal to two months of interest. For loans that will be outstanding for six months or less, interest may accrue until maturity. Principal and any outstanding interest due at earlier of (i) construction loan closing and (ii) maturity.
Collateral & Guaranty	Full repayment guaranty from creditworthy persons or entities acceptable to American Community Capital (“ACC”). Assignment of General Partner or Managing Member interest in the LIHTC project partnership / limited liability company. Other collateral as determined by ACC.
Prepayment	No prepayment penalty. Prepayment penalty to be determined on a case-by-case basis.
LIHTC Equity Right of First Offer and Negotiation	If the development will be financed with LIHTC equity, at minimum Boston Financial shall have the opportunity for a “last look” to syndicate the LIHTC equity.