

The **Hartford Community Loan Fund** provides affordable and flexible financing for the revitalization of Hartford neighborhoods. HCLF's **Construction / Rehab Loan** offers a cost-effective alternative for purchasing and rehabbing single or multi-family residential and mixed-use properties.

■ LOAN SIZE:

- \$50,000 - \$500,000, with at least 25% of total proceeds used for rehab purposes. HCLF can also facilitate larger financing packages for more sizeable projects;
- HCLF obtains independent appraisal to determine as is and post-rehab value of property;
- HCLF may fund up to 75% of the lesser of the project's development budget or the post-rehab appraised value of the property;
- For investment properties, maximum loan size also determined by expected cashflow to be generated by rehabbed property.

■ LOAN OPTIONS:

- Interest only construction loans of up to 24 months;
- Interest reserve can be established to cover interest costs during construction when the property is not yet generating cashflow;
- During the underwriting process, HCLF will work with the borrower to identify permanent mortgage financing for takeout of the HCLF rehab loan.

*HCLF provides
affordable financing to
buy and rehab
residential and mixed
use properties in the
City of Hartford.*

■ ELIGIBLE BORROWERS:

- Owners of residential and mixed use properties in Hartford. At completion of rehab, all units must be affordable for low income tenants or homeowners. Contact HCLF for more details.
- Borrower and/or general contractor should have demonstrable record of having successfully completed projects of similar size and cost; owner should be up-to-date on taxes for any properties owned in Hartford;
- General Contractor must be licensed and insured in the State of Connecticut, be Lead-Safe Certified, complete HCLF's Rehab Budget form, and oversee all rehab work.



■ RATES AND FEES:

- Construction portion typically priced at 400 basis points over the five year Federal Home Loan Bank rate, but not less than 8.0%;
- Application fee of \$250 due with application, with partial refund if loan is not approved; commitment fee of 1 - 2% at closing.
- Closing costs and appraisal fees are payable by the borrower and can be financed in the loan.

To Apply or for More Information:

Contact Naveed Sobhan, Director of Mortgage Lending, at (860) 296-7005; ext. 104 or Richard Staples, Construction/Rehab Lending Specialist, at (860) 296-7005; ext. 103