



## CSH Loan Products

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CSH offers financial assistance to expedite development of supportive housing projects, enabling them to better prepare and compete for funding. Designed to address specific needs of developers of supportive housing, these financial products provide funding in accordance with project phase, need and risk tolerance. CSH offers the following financial products:

- Project Initiation Loans (PIL)
- Predevelopment Loans
- Acquisition Loans
- Construction Loans
- Mini-Permanent Loans

For information on how to apply, please contact your nearest CSH office, or e-mail [loans@csh.org](mailto:loans@csh.org).

### **Project Initiation Loans<sup>1</sup>**

- **Use of Funds:** Predevelopment costs associated with the development of supportive housing. Most often used very early in the predevelopment phase.
- **Amount:** Typically up to \$50,000, subject to availability of funds. PILs are sized just large enough to move the project from the early feasibility stage to the point where the sponsor has site control, a realistic financing plan and/or financing commitments and would be eligible for a loan.
- **Source of Repayment:** Identified, but may not be committed.
- **Interest Rate:** 0% for initial 24 months; 6 - 7% thereafter (rate dependent on location and subject to change).
- **Term:** 36 months.
- **Forgiveness Feature:** At the recommendation of the loan officer, a PIL may be structured with a forgiveness feature. If included, if a project is not successfully developed, the obligation may be forgiven upon request by the borrower and at the discretion of the CSH program office.
- **Amortization:** Non-amortizing. Balloon payment repaid at maturity.
- **Disbursements:** One or more. Conditions for the release of the funds are detailed in the Loan Agreement and term sheet (e.g. submission of certain items like funding commitments, contracts etc.).
- **Security/Recourse:** Full recourse obligation of the borrower but collateral is not required.
- **Application and Loan Origination Fees:** \$500 origination fee.

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<sup>1</sup> Pricing and fees may vary in different markets.

### **Predevelopment Loans**

- **Use of Funds:** Predevelopment costs associated with the development of supportive housing.
- **Amount:** No maximum. Sizing depends on the needs of the project, availability of collateral, the nature of the real estate market and other risk factors.
- **Contingency Allowance:** Up to 10% to fund unforeseen predevelopment costs.
- **Source of Repayment:** Committed or planned.
- **Interest Rate:** 6 - 7% (depending on location and subject to change).
- **Term:** 1 - 2 years, depending on project timeline.
- **Amortization:** Structured with a capitalized interest reserve or with interest and principal repaid at maturity; depends on size of loan and risk factors.
- **Disbursements:** Multiple installments based on borrower need and project milestones.
- **Security/Recourse:** Required when available. Loans are full recourse obligations of the borrower.
- **Application and Loan Origination Fees:** \$500 application fee (non-refundable) and a loan origination fee of 1.5% (subject to change). The loan origination fee may be financed by CSH and capitalized into the loan amount.

### **Acquisition Loans**

- **Use of Funds:** Acquisition of real estate in connection with the development of supportive housing (may also be combined with predevelopment funds).
- **Amount:** Based on the acquisition need, value of collateral, and other risk factors. In certain markets CSH may use external loan funds with different rates and terms than described here (e.g. New York Acquisition Fund, Los Angeles New Generation Fund and Los Angeles County Housing Innovation Fund).
- **Source of Repayment:** Committed or planned.
- **Interest Rate:** 6 - 7% (depending on location and subject to change).
- **Term:** 1 – 2 years, depending on project timeline.
- **Amortization:** Structured with a capitalized interest reserve or with interest and principal repaid at maturity; depends on size of loan and risk factors.
- **Disbursements:** Funds disbursed in one installment at the acquisition closing unless combined with predevelopment funds (see above).
- **Security/Recourse:** Maximum of 100% loan-to-value based on appraised value of the real estate acquired.
- **Application and Loan Origination Fees:** \$500 application fee (non-refundable) and a loan origination fee of 1.5% (subject to change). The loan origination fee may be financed by CSH and capitalized into the loan amount.

### **Construction and Mini-Permanent Loans**

CSH also offers construction loans and mini-permanent loans. Please contact your nearest CSH office, or e-mail [loans@csh.org](mailto:loans@csh.org) for more details.