

Lending Product: ACQUISITION



PROJECT SNAPSHOT

Ensuring Affordability in Grand Rapids

Hispanic Housing Development Corporation (HHDC), a frequent LISC borrower active in Illinois, Indiana, Michigan and Wisconsin, was created in 1975 to stabilize Latino communities by increasing the availability of affordable housing. To date, HHDC has built or improved 2,800 homes, apartments, condominiums and single-family housing units while providing jobs, capital and community services in distressed neighborhoods. In 2012, HHDC employed a \$1.5 million LISC loan to help fund acquisition of Orchard Place, a 138-unit Low Income Housing Tax Credit residential rental facility in Grand Rapids, Michigan. The LISC acquisition loan gave HHDC the time to apply for long-term financing through the Federal Housing Administration and ensured that the property remained affordable to tenants earning no more than 60% of the local area median income.

Description

LISC provides loans to borrowers to help them pay the purchase price and closing costs for property acquisition. These loans are generally made when construction and permanent financing have been secured or preliminarily committed.

Project Type

Rental housing, for-sale housing, community facilities, commercial and mixed-use projects

Loan Amount

\$100,000 - \$5,000,000

Interest Rate

6% Fixed

Term

Up to 3 Years

Repayment

Interest-only; payable monthly

Loan Fees

Up to 2% of loan amount plus legal fees

Collateral

Real estate collateral with LTV of up to 90%