



# Loan Product Summary

**ELIGIBLE BORROWERS AND PROJECTS:** Nonprofit organizations, housing authorities and tribal entities are eligible borrowers for all product categories, while For-profit developers are eligible for all products EXCEPT the Phase I predevelopment loan. Eligible projects include affordable housing developments and community facilities that benefit low-income neighborhoods or households making less than 80% of median income, or projects that provide non-residential uses that contribute to an economic development strategy benefiting low-income households.

**RATES AND FEES:** All loan products require a \$1,500 application fee which will be credited to the total loan fee required for that product. The balance of the fee will be due at closing or the first loan disbursement. Loan fees for Non-profit Phase I Predevelopment loans are \$4,000 for loans up to \$85,000, and \$6,000 for loans over \$85,000. Loan fees for other Non-profit loan products are \$6,000 for loans \$300,000 or less and 1.50% of the loan amount for loans over \$300,000, while fees for For-profit borrowers is \$8,000 for loans \$300,000 or less and 1.75% of the loan amount for loans over \$300,000. The base Interest rate is adjusted upon a variety of factors including the type of project, risk profile and borrower capacity.

Product	Eligible Uses	Loan Size	Terms and Conditions <sup>1</sup>	Additional Requirements
<b>Phase I Predevelopment Loan</b>	Costs associated with feasibility evaluation and preparing site-specific applications to public and private funders, such as site control costs, engineering and environmental studies, soils testing, design work, and legal fees	Up to \$85,000 (up to \$150,000 in some cases)	<ul style="list-style-type: none"> <li>• 0% interest</li> <li>• Initial term up to 3 years</li> <li>• Recourse to borrower</li> </ul>	<p>Eligible projects include emergency housing; transitional housing; rental, cooperative or homeownership housing; mixed-use projects; other real estate-based development projects which contribute to an articulated community development strategy.</p> <p>The maximum amount of Phase I Predevelopment funds lent to one borrower for multiple loans cannot exceed \$170,000.</p>
<b>Phase II Predevelopment Loan “Ready to Go”</b>	<p>Site control extension payments, property holding costs, architecture and engineering, consulting, legal, application and financing fees including interest reserve, permit fees and eligible costs for LIHTC carryover requirement</p> <p>Repayment of Phase I Loan</p>	Up to \$2 million	<ul style="list-style-type: none"> <li>• Up to 12 months (renewable)</li> <li>• Interest-only payments</li> <li>• May be secured by lien on property and/or lien on other unencumbered assets; may subordinate</li> <li>• Recourse to borrower</li> </ul>	Loan approval subject to evidence that at least one significant source of permanent project funding is committed.
<b>Acquisition Loan</b>	<p>Acquisition of residential, commercial or mixed-use properties that will serve low- and moderate-income populations and/or contribute to an articulated community development strategy, including:</p> <ul style="list-style-type: none"> <li>• Expiring-use HUD Section 8, USDA-RD and LIHTC properties</li> <li>• Developable land</li> </ul>	Up to \$3 million	<ul style="list-style-type: none"> <li>• Maximum 100% LTV</li> <li>• Up to 3 years; may extend to 5 years on case-by-case basis</li> <li>• Interest-only payments</li> <li>• Secured by property; may subordinate</li> <li>• Recourse to borrower</li> </ul>	<p>Underwritten on experience, track record and capacity of the non-profit borrower and competitiveness of the project to secure development subsidy.</p> <p>Development concept and plan required, including early due diligence on market and development and operating costs.</p> <p>Acquisition loans with terms longer than 3 years are suited for established organizations with a track record and a pipeline of projects.</p> <p>Prefer to fill the gap between primary lender loan amount and purchase price.</p>

FOR QUESTIONS OR MORE INFORMATION,  
 CONTACT: Marcel Neff (206) 658-2608  
[lending@impactcapital.org](mailto:lending@impactcapital.org)  
 701 5th Ave Suite 5500, Seattle, WA 98104  
[www.impactcapital.org](http://www.impactcapital.org)

<sup>1</sup> Terms and conditions subject to change Updated April 2022

Product	Eligible Uses	Loan Size	Terms and Conditions <sup>1</sup>	Additional Requirements
<b>Construction Loan</b>	<ul style="list-style-type: none"> <li>Construction</li> </ul>	Up to \$3 million	<ul style="list-style-type: none"> <li>Maximum 100% LTV</li> <li>Up to 24 months</li> <li>Interest-only payments</li> <li>Secured by property; may subordinate</li> <li>Recourse to borrower</li> </ul>	Prefer bank or other lender willing to provide first lien position loan, and willing to manage construction loan and disbursements.
<b>Line of Credit</b>	Predevelopment	Up to \$3 million	<ul style="list-style-type: none"> <li>Up to 12 months (renewable); Usually secured by property; may be partially unsecured</li> <li>Recourse to borrower</li> </ul>	Lines of credit are suited for established organizations with a track record and a pipeline of projects.
<b>Commercial Tenant Improvement (TI) Loan</b>	<p>TI build-out for commercial properties or commercial portions of mixed-use buildings</p> <p>Assumes build-out from “vanilla box,” including painting, carpeting, partitions and standard lighting fixtures. Does not include fixtures or utility build-out for medical offices or restaurants.</p>	Up to \$1 million	<ul style="list-style-type: none"> <li>15-year amortization; term tied to average initial lease length</li> <li>Secured by property and assignment of commercial rents; may subordinate</li> </ul>	Approval subject to lease terms and strength of commercial tenants.
<b>Preservation Loan</b>	Short-term financing for the preservation of existing affordable housing projects.	Up to \$3 million	<ul style="list-style-type: none"> <li>Maximum 100% LTV</li> <li>Up to 60 months</li> <li>Secured by property; may subordinate</li> <li>Interest-only payments</li> </ul>	<p>Funds can be used to:</p> <ul style="list-style-type: none"> <li>Acquire properties</li> <li>Pay for pre-development activities to help the project reach a permanent financing solution</li> <li>Pay for construction/rehabilitation costs</li> </ul> <p>In certain situations, funds can be used to cover loan fees, legal expenses and an interest reserve.</p>
<b>Bridge Loan</b>	Short-term financing for construction expenses and approved soft costs.	Up to \$3 million	<ul style="list-style-type: none"> <li>Maximum 100% LTV</li> <li>Up to 36 months; may extend to 5 years on case by case basis</li> <li>Secured by property</li> </ul>	May be subordinated to a bank loan, provided aggregate liens do not exceed 100% LTV based upon appraisal.

FOR QUESTIONS OR MORE INFORMATION,  
CONTACT: Marcel Neff (206) 658-2608  
[lending@impactcapital.org](mailto:lending@impactcapital.org)  
701 5th Ave Suite 5500, Seattle, WA 98104  
www.impactcapital.org

<sup>1</sup> Terms and conditions  
subject to change (Updated July  
2023)