

# Washington Area Housing Trust Fund

---

## New Construction Predevelopment Lending Initiative

### Predevelopment Loan Terms\*

<b>Size:</b>	\$25,000 -\$150,000
<b>Term:</b>	24 months maximum
<b>Interest Rate:</b>	3% interest due quarterly.
<b>Fees:</b>	1% origination fee, may be funded from loan.
<b>Security:</b>	Generally unsecured. Borrower required to guarantee the loan.

**Eligible Borrowers:** 501(c)(3) nonprofit organizations; **or** Limited Partnerships controlled by nonprofits with demonstrated experience in affordable housing development; **or** for profit organizations.

**Eligible Projects:** Affordable, multifamily projects. Must meet the 1993 IRS Safe Harbor Guidelines.

### Acceptable Uses of Funds

- ◆ Earnest Money Deposit
- ◆ Purchase Deposit
- ◆ Architect/Engineer Services
- ◆ Environmental Consultants
- ◆ Finance & Development Consultants
- ◆ Tax Credit Consultants
- ◆ Finance Related Fees (e.g. tax credit reservation fees; loan origination fees)
- ◆ Market Studies
- ◆ Appraisals
- ◆ Legal Costs
- ◆ Project related sponsor overhead
- ◆ Similar items approved by Loan Committee

### Contact:

WAHTF: Peggy Sand  
301-562-1935  
[psand@erols.com](mailto:psand@erols.com)

\*Lending needs outside these program parameters can sometimes be met through consortia arrangements with other lending sources. If you have a loan outside of these guidelines, feel free to discuss all lending needs with program staff.