



The **Hartford Community Loan Fund** provides affordable and flexible financing for the revitalization of neighborhoods in the greater Hartford region. 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 - \$750,000, with at least 25% of total proceeds used for rehab purposes. HCLF can also facilitate larger financing packages for more sizeable projects;
- HCLF obtains an 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 is also determined by expected cashflow to be generated by the rehabbed property.

## ■ LOAN OPTIONS:

- Interest only construction loans of up to 24 months; HCLF also offers options for short term mini-perm loans or longer term financing upon completion of construction/rehab.
- Interest reserve can be established to cover interest costs during construction when the property is not yet generating cashflow;
- At borrower's option, HCLF will help 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 Hartford, New Britain, East Hartford, Manchester, and other towns in the greater Hartford region.*

## ■ ELIGIBLE BORROWERS:

- Owners or buyers of residential and mixed use properties in the greater Hartford region (see [www.hartfordloans.org](http://www.hartfordloans.org) for complete list of towns in HCLF's investment area). HCLF especially seeks to finance projects which will benefit low-wealth residents of the greater Hartford region. Contact HCLF for more details.
- Borrower and/or general contractor should have a 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 the town where the property to be rehabbed is located;
- General Contractor for the project 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; commitment fee of 2 - 3% 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. 3004 or Richard Staples, Construction/Rehab Loan Officer, at (860) 296-7005; ext. 3003