



## Pre-development Financing for Community Development Projects

<b>Eligible Projects</b>	Multifamily properties targeting a minimum of 20% of the units as being affordable to residents at 50% AMI or Community Development properties.
<b>Eligible Expenses</b>	Standard costs incurred with third party vendors such as market studies, architectural plans, legal costs, etc. Property acquisition and holding costs are eligible expenses. Developer fee payments are NOT eligible for reimbursement.
<b>Property Characteristics</b>	Any project expected to have permanent financing in place in twenty-four months or less.
<b>Loan Amounts</b>	\$100,000 to \$500,000+
<b>Loan Term</b>	Up to twenty-four month term. Monthly draws permitted.
<b>Interest Rate</b>	Interest only, payable quarterly. Rate floats at 3.0% over 30-day LIBOR with a minimum rate of 5.0%.
<b>Underwriting Criteria</b>	Maximum of 90% LTV. Developer must cover 10% of all eligible expenses with either their own funds or public funds.
<b>Fees</b>	Origination Fee of 2.0%, plus Application Fee of \$1,000.
<b>Legal Fees</b>	\$3,000 for initial documents. \$200 for additional draws under a credit line.
<b>Collateral</b>	Lender will take collateral interest in third-party reports and all real property financed with pre-development funds.
<b>Pre-Payment</b>	Loans can be pre-paid at any time with no fee.
<b>Recourse/Guarantees</b>	Personal guarantees are required against fraud and bad acts and may be required for loan approval on a case by case basis.

*For more information and a loan application, please contact:*

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