



Real Estate Lending Program

Community First Fund's Real Estate Loan Program is designed to serve individuals, non-profits and for profit entities engaged in development of residential and commercial projects in the Fund's Thirteen County service area. Priority is given to affordable housing, rural development and urban redevelopment projects. Community First Fund will work with developers to provide innovative products with flexible terms and to identify additional sources of loans or grants for individual developments. Community First Fund is an approved lender for Build PA Funds and will participate in SBA lending programs. Community First Fund also works in partnership with local lending institutions and economic development entities to provide gap or mezzanine financing

Eligible Projects:

- Commercial real estate projects in Community First Fund's service area with a priority given to urban and rural developments
- Affordable housing
- Mixed-income housing
- Mixed-use projects
- Market rate housing in Community First Fund's service area with a priority given to urban and rural developments

Community First Fund's Service Areas:

Adams County Berks County Chester County Cumberland County Dauphin County
Franklin County Lancaster County Lebanon County Lehigh County
Montgomery County Northampton County Perry County York County

Underwriting Standards:

- Social/Community Development Impact
- Borrower's Financial Condition
- Development Experience
- Availability of Collateral
- Ability to Repay (including equity, grants, loans committed to project)

Threshold Criteria/Feasibility:

- Presentation of Reasonable Sources and Uses of Funds
- Documentation to Support Rents and Sales Prices in proposed Market
- Development Team Capacity

Available Loans, Rate and Term Guidelines: (see Attachment)

The attached rates and terms are guidelines only. Community First Fund will work with each developer to provide flexible rates and terms.

Maximum Loan Amounts:

Loans will generally not exceed \$1,000,000. Community First Fund will review larger loan requests with the goal of identifying additional sources of financing to be used in conjunction with Community First Fund loan products.

Community First Fund's Real Estate Loan Guidelines

Loan Type	Predevelopment	Acquisition	Constr./Bridge	MINIPerm
Purpose	Pays for early stage expenses to determine project feasibility	Secures site control for properties that will be in development	Pays for project costs during construction period	Takes out financing for construction loans
Eligible Uses	Environmental Investigation, Arch Fees, Surveys, Market Studies, Appraisals, Financial Consultants, Legal Fees, Option Agreements, Building Permits and Fees, LIHTC Carryover Costs	Purchase of property, title and recording fees	Bridges all or part payment of permanent sources of funding/financing including sales proceeds	Repayment of construction loans, payout of developer fee and/or other construction period hold-backs
Loan Amount Guidelines	\$5,000-\$50,000	\$50,000-\$500,000	Up to \$1,000,000	Up to \$1,000,000
Interest Rate Guidelines	To be determined at application.	Generally Prime + 1% at a fixed or variable rate	Generally Prime + 1% at a fixed or variable rate	Applicable Treasury Index + 300 basis points (fixed)
Maximum Term	24 months	24-month term, can be a revolving line of credit	24 months	Preferred 5-year term and 10-year amortization, in case by case basis, up to 10-year term. 20-year amortization may be available
Advances	Upon receipt of invoice for services rendered	Up to 100% of loan at time of acquisition	90% of invoice based on work-in-place as certified by a construction inspector	100% of loan at closing or conversion from a construction loan
Typical Fees	\$100 Application Fee; 1% Loan Origination Fee; Loan Documentation Fee	\$100 Application Fee; 1% Loan Origination Fee; Loan Documentation Fee; Borrower will also reimburse lender for all third party fees such as for appraisal, environmental, searches, etc.	\$100 Application Fee; 1% Loan Origination Fee; Loan Documentation Fee; Plan and Cost Review and Construction Inspection Fees; Borrower will also reimburse lender for all third party fees such as for appraisal, environmental, searches, etc.	\$100 Application Fee; 1% Loan Origination Fee; Loan Documentation Fee; Borrower will also reimburse lender for all third party fees such as for appraisal, environmental, searches, etc.
Equity Requirement	None	Non-profits: 0%-20%; For-profits: minimum 10%	Non-profits: 0%-20%; For-profits: minimum 20%	Non-profits: 0%-20%; For-profits: 5%-20%
Collateral	Can be unsecured, collateral can be requested	First lien mortgage; other collateral to be evaluated on case by case basis	First lien mortgage; other collateral and junior liens to be evaluated on case by case basis	First lien mortgage; other collateral and junior liens to be evaluated on case by case basis