

**265—3.3(16) Eligibility.**

**3.3(1)** Eligible applicants. As determined by the authority, to be eligible for a loan under the program, applicants shall:

- a.* Demonstrate a market need for the units.
- b.* Agree to observe certain compliance measures, including a recorded agreement to ensure long-term affordability.
- c.* Obtain a local contributing effort in an amount of up to 1 percent of the proposed loan when requested by the authority.
- d.* Agree to a change of management, general partner, or managing member when requested by the authority.
- e.* Agree to Multifamily Accelerated Processing (MAP) of the U.S. Department of Housing and Urban Development (HUD), when requested by the authority.
- f.* Agree to participate in the HUD Risk-Sharing Program, when requested by the authority.
- g.* Execute such documents and instruments as may be required by the authority.
- h.* Provide such information, certificates and other items requested by the authority.
- i.* Obtain a title guaranty certificate from the authority's title guaranty division protecting the authority's interest in the real property securing the loan, including any endorsements required by the authority, unless specifically waived by the authority.

**3.3(2)** Eligible projects. As determined by the authority, to be eligible for a loan under the program, projects shall:

- a.* Be financially feasible for at least the term of the assistance.
- b.* Have adequately funded replacement and operating reserve funds.
- c.* Consist of at least five housing units.
- d.* For the term of the loan, reserve at least 75 percent of the housing units for tenants whose income is at or below 80 percent of the area median income and whose rent is no more than 30 percent of the income of a family whose annual income is 80 percent or less of the area median income.

**3.3(3)** Loan terms.

- a.* Loans under this program may have a maximum loan term of 24 months for construction financing and 40 years for permanent financing.
- b.* Other terms and conditions of loans under this program may vary from project to project.

**3.3(4)** Maximum loan fees are as follows:

- a.* Commitment fee (construction period) - 1.0 percent of total development costs.
- b.* Commitment fee (permanent loan) - 2.0 percent of loan amount.
- c.* Inspection fee (construction period) - \$500 per inspection; inspections will typically occur with each draw or on a monthly basis during construction.
- d.* Application fee - 0.3 percent of proposed loan amount.
- e.* Asset management fee - calculated as \$25 per unit × number of total project units; submitted annually on or before January 31.
- f.* The authority may, in limited cases, reduce such fees if necessary in connection with assistance provided under this program.

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