

265—3.5 (16) Program guidelines. For-profit and nonprofit sponsors are eligible to apply for assistance under this program.

3.5(1) Projects eligible for assistance must meet the following criteria:

- a.* Both a demonstrated market need for the units must exist and the project must be in a good location, as determined by the authority in its sole discretion.
- b.* Assistance provided under this program must enable the project to maintain financial feasibility and affordability for at least the term of the assistance.
- c.* Maintenance and debt service reserve funds must be adequately funded, as determined by the authority in its sole discretion.
- d.* The maximum loan term is 24 months for construction financing and 40 years for permanent financing.
- e.* At least 75 percent of the units must be restricted to tenants whose income is at or below 80 percent of the area median income and have rents that are affordable.
- f.* Projects must have at least five units.
- g.* Rescinded IAB 12/25/13, effective 1/29/14.
- h.* Construction and permanent financing may be awarded to projects under the program.
- i.* Borrowers must covenant to observe certain compliance measures, including a recorded agreement to ensure long-term affordability.
- j.* A title guaranty certificate from the authority's title guaranty division is required on all loans, unless specifically waived by the authority.
- k.* A local contributing effort, consistent with Iowa Code section 16.4(3), in an amount of up to 1 percent of the proposed loan may be required by the authority, if feasible, for loans made under this chapter. If a local contributing effort is required, evidence of such local contributing effort shall be presented to the authority.
- l.* The authority may require a change of management or general partner when appropriate.
- m.* FHA-insured loans may be available through the Multifamily Accelerated Processing (MAP) of HUD, if the authority is an approved MAP lender at the time of the loan closing. The authority may require or suggest such a MAP loan for any and all projects applying for assistance. In addition, the authority may participate in the HUD Risk-Sharing Program and may suggest or require such a loan for any and all projects applying for assistance.
- n.* Rescinded IAB 12/25/13, effective 1/29/14.
- o.* Recipients must execute such documents and instruments, and must provide such information, certificates and other items as determined necessary by the authority, in its sole discretion, in connection with any assistance.

3.5(2) 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 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.

The authority may, in limited cases, reduce such fees if necessary in connection with assistance provided under this program. Such decision will be made in the sole discretion of the authority.