



LOWCOUNTRY HOUSING TRUST

Gap Financing Loan Program

Purpose

LHT subsidizes the production of new affordable housing units, both for-sale and rental, through new construction, substantial rehabilitation of vacant units or conversion of non residential buildings to residential use. LHT will provide project-specific loans up to \$30,000 per unit to construct new units or rehabilitate vacant housing units for sale or rent to low and moderate income households. LHT funds often are combined with subsidy from other entities to reduce the cost of housing.

Eligible Borrowers

- Nonprofit developers, for profit developers, government entities, nonprofit/for profit developer partnerships

Eligible Projects

- Loans must be used for specific housing projects, including single and multi-family housing, which include provisions for units affordable to low, very-low and moderate income households.

Eligible Uses

- Eligible uses include but are not limited to: construction loans, bridge loans, lines of credit, and permanent financing.

Terms

- The maximum loan term is 30 years.

Rate

- LHT will make low interest, deferred, and forgivable loans (non-profits only), the terms of which will be determined by project need and feasibility.

Repayment

- Monthly, quarterly, or annual principal and interest payments will be determined by project need and feasibility.

Collateral

- Gap financing loans are secured by a promissory note and a mortgage lien on property.

Affordability Controls

- All units that are funded by LHT will be subject to affordability controls through a restrictive covenant that limits the property rights of the owner for 20 years.

Matching Funds

- No match is required.

Fees

- A \$250 loan origination fee will be due at closing. Borrowers are responsible for all legal and closing costs.

Program Administration

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Applications are available at www.lowcountryhousingtrust.org