

RURAL LISC

Lending products



Rural LISC offers predevelopment, acquisition and bridge products to fit your needs.

Rural LISC has a variety of flexible lending products designed to help local groups bring development projects to fruition. Our loans cover every phase of development, from acquisition to working capital and all the steps in between. We are committed to working together with developers to get projects done, whether it entails building affordable housing or a school or launching a retail or commercial venture.

Lending products include:

- Predevelopment
- Acquisition
- Construction
- Site Development
- Perm/Mini-Perm or Construction to Perm/Mini-Perm
- Bridge
- Working Capital Line/ Multi-Project Loans

How do LISC loans differ from bank loans?

As a Community Development Financial Institution, LISC is committed to helping community-development corporations, small businesses, entrepreneurs and local government access capital and more flexible credit standards than banks can offer.

- LISC requires a minimum 1.25x historical debt service coverage for 2019
- LISC is flexible on collateral requirements
- LISC works with borrowers with personal credit issues



In 2018 Rural LISC invested \$250,000 in inverSOL, a new company making solar-powered generators in Puerto Rico to combat power loss following natural disasters like Hurricane Maria.



LEARN MORE about borrowing from LISC at www.lisc.org/rural/



QUESTIONS?
Contact: Rural LISC Lending Director
Michael Carroll, mcarroll@lisc.org

Financial Products: Summary of Terms

	Predevelopment	Acquisition	Construction	Site Development	Perm/Mini-Perm or Construction to Perm/Mini-Perm	Bridge	Working Capital Line/ Multi-Project Loans
PURPOSE	To pay project predevelopment expenses	To pay purchase and closing costs of property acquisition	To pay hard and soft construction costs of new construction or rehab costs	To pay vertical infrastructure hard and soft construction costs for new subdivisions	To provide permanent financing to a project; or construction to permanent financing, including NMTCs leverage loans.	To bridge the timing gap between project or program costs and cash from committed or anticipated sources not yet available	To provide flexible capital to meet cash flow needs or pay project-based expenses for separate projects, usu. for predev and/or acquisition expenses
ELIGIBLE PROJECT TYPES	Rental housing; for-sale housing; community facilities; commercial and mixed use projects	Rental housing; for-sale housing; community facilities; commercial and mixed use projects	Rental housing; for-sale housing; community facilities; commercial and mixed use projects	For sale housing, including Self Help	Rental housing; community facilities; commercial and mixed use projects	Rental housing; for-sale housing; community facilities; commercial and mixed use projects	Rental housing; for-sale housing; community facilities; commercial and mixed use projects
TYPICAL RANGE	\$50,000–\$1,000,000	\$100,000 – \$5,000,000	\$100,000 – \$5,000,000	\$100,000 – \$5,000,000	\$100,000 – \$10,000,000	\$1,000,000 –\$5,000,000	\$100,000–\$10,000,000
INTEREST RATE/ PAYMENT	4%-6%; fixed; payable monthly	4%-6%; fixed; payable monthly	4%-6%; fixed; payable monthly	4%-6%; fixed; payable monthly	5.75%-8%; fixed; 2% if Growing Rural Communities Fund* payable monthly	4%-6%; fixed; payable monthly	4%-6%; fixed; payable monthly
REPAYMENT	In full at construction financing close * For for- sale housing: scheduled or allocated amount of loan due at construction closing for each unit, pro rata w/ other lenders	In full at construction financing close * For for- sale housing: scheduled or allocated amount of loan due at construction closing for each unit, pro rata w/ other lenders	In full at construction financing close * For for- sale housing: scheduled or allocated amount of loan due at construction closing for each unit, pro rata w/ other lenders	Allocated amount 'release price' of loan due at sale or construction closing for each unit.	Principal and interest payable monthly; amortizes on the shortest schedule possible, but can up to 20 year schedule; balloon due at maturity	Repayable incrementally, within five business days of borrower's receipt of capital source being bridged	Due at construction close for each project that is financed
MAXIMUM TERM	2 years	2 years	2 yrs, based on schedule *For-sale housing: 3 yrs	3 years	15 years	3 years	3 years
APPLICABLE FEES	1% fee; minimum 50% or \$5,000 due at approval; Legal fees vary	1% fee; minimum 50% or \$5,000 due at approval; Legal fees vary	1% fee; minimum 50% or \$5,000 due at approval; Legal fees vary	1% fee; minimum 50% or \$5,000 due at approval; Legal fees vary	1% fee; minimum 50% or \$5,000 due at approval; Legal fees vary	1% fee; minimum 50% or \$5,000 due at approval; Legal fees vary	1% fee; minimum 50% or \$5,000 due at approval; Legal fees vary
COLLATERAL	Generally secured; exceptions based on borrower's overall strength and level of certainty of projected take-out financing	Strong preference for real estate collateral	Strong preference for real estate collateral	Strong preference for real estate collateral	Strong preference for real estate collateral Minimum debt service coverage ratio of 1.25:1	Bridged receipts and/or real estate collateral	Generally secured, but may be up to 20% unsecured based on borrower's overall strength

Low Interest Financing Products

> for targeted projects and locations

Other Low Interest Financing

SUMMARY	Rural LISC occasionally has access to lower rate capital for specific project types and locations; please call for the latest rates and information
LOAN TYPE	Acquisition, predevelopment, construction; mini-permanent possible
ELIGIBILITY	Nonprofits or for profits
PROPERTY/PROJECT TYPE	Rental or for sale housing; healthy food facilities or retail establishments
ELIGIBLE LOCATIONS	Varies
LOAN AMOUNT	\$100,000-\$5,000,000
INTEREST RATE	4% and up
TERM	Varies
REPAYMENT	Varies
PREPAYMENT PENALTIES	No prepayment penalties
LOAN FEES	1% fee plus legal costs
COLLATERAL	Real estate collateral preferred
DEBT SERVICE COVERAGE	Varies



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