

Home And Community-Based Services Revolving Loan Program Fund

1. HCBS loans funds are meant to develop and expand facilities and infrastructure that provide adult day services, respite services and congregate meal sites for low-income lowans.
2. These loans are not competitive. Funding is provided to successful applicants as long as money is available. When money cycles back to IFA through the revolving loan process, additional loans will be made.
3. Because the process is not competitive, potential applicants may contact IFA at any time following the release of the application with questions. Staff will communicate with the applicants during the review of the application.
4. The loans have an interest rate of 1 percent per annum and are fully amortizing with a maximum term of 20 years.
5. The minimum loan amount is \$50,000, and the maximum amount is \$1 million (subject to available funds). The required debt service coverage ratio for the loans is 1.30 to 1.
6. Loan fees are as follows:
 - a. Application fee – 0.3 percent of total loan amount
 - b. Commitment fee (construction loan) – 1.0 percent of loan amount.
 - c. Commitment fee (permanent loan) – 2.0 percent of loan amount.
 - d. Inspection fee (construction loan) – 0.5 percent of loan amount.
1. 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.
2. The authority will refund to the borrower one-half of the permanent loan commitment fee if the borrower's loan is paid off within five years of the closing of the loan.
7. The loans can be used for the construction loan and permanent financing.
8. IFA will hold the first mortgage on the property.
9. There are recorded affordability and transfer restrictions for the selected period of compliance. In other words, the owners must continue to provide the selected service to low-income people, and if the property is sold, the new owner must continue to serve this population as the selected service.
10. Each loan is underwritten by IFA staff.
11. The program guidelines are set forth in the Project Eligibility Requirements (Attachment 4 of this Application), depending on the type of project seeking funds. In addition to affordability criteria, the project must address a demonstrated market need, be in a good location, include a local contributing effort, be financially feasible, and the loan recipient must have the ability to repay the loan.

For more information, please contact hcbloanprogram@iowafinance.com