

**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
CONSTRUCTION AND BRIDGE LOAN PROGRAM RULES
HFA 110**

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**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
CONSTRUCTION AND BRIDGE LOAN PROGRAM RULES
HFA 110**

HFA 110 PART ONE: Overview, Purpose, Applicability

HFA 110.01 Overview and Purpose

The Authority will provide construction and bridge loans to foster the production of affordable rental housing and other related construction activities that support the creation of affordable housing. Projects can be either new construction, acquisition, preservation, or rehabilitation. Construction loans must have a permanent loan commitment from the Authority or some other lender acceptable to the Authority. Construction loan guarantees may be required.

HFA 110.02 Applicability

- (a) These rules only apply to the Construction and Bridge Loan Program.
- (b) The provisions of HFA 101 are incorporated into these HFA 110 rules.

HFA 110.03 Rulemaking

These Construction and Bridge Loan Program Rules are generally adopted pursuant to RSA 204-C:9 which empowers the Authority to adopt rules relative to construction and bridge loans that support the creation of affordable housing in the State of New Hampshire.

HFA 110 PART TWO: Definitions

HFA 110.04 Definitions

In addition to the terms defined in HFA 101, the following words or terms shall have the following meanings in these HFA 110 Rules:

“Applicant” means any entity that is seeking the Authority’s approval to participate in the Construction and Bridge Loan Program.

“Application” means the application form and all Authority required supporting documents, as detailed in the Authority’s application and supporting document checklist.

HFA 110 PART THREE: General Rules

HFA 110.05 Loan Requirements

The project must:

- (1) Commit to meet the affordability requirements, which accompany the specific loan program being used. This commitment will be formalized in a recorded Land Use Restriction

Agreement, if one is not already being required;

- (2) Comply with the Authority's Construction and Bridge Loan Underwriting and Development Policies for Multi-Family Finance;
- (3) Have a firm commitment for the permanent take-out financing from the Authority or other lender acceptable to the Authority, and all equity sources; and
- (4) Have detailed plans and specifications which comply with HFA 111, the Authority's technical design and construction standards, and applicable local, state, and federal building codes.

HFA 110.06 Eligible Applicants

- (a) Applicants may be either non-profit or for-profit entities, and must show evidence of competency, capacity, and experience.
- (b) Applicants must provide the Authority with financial statements and tax returns from the three years preceding the date of the Application. Both the Applicant and all individual general partners are subject to this provision.

HFA 110.07 Eligible Projects

- (a) Projects can be new construction, acquisition, preservation, or rehabilitation.
- (b) If tenants must be relocated in order to complete proposed work, a written relocation plan, with details of relocation responsibilities and tenant compensation, must be approved by the Authority.

HFA 110.08 Eligible Uses and Disbursement Procedures

Any legitimate construction period development expense is an eligible use. The Authority will conduct regular monitoring and must approve all proposed disbursements with funding on a monthly percentage-of-completion basis. Disbursements will be made in accordance with HFA 111.

HFA 110.09 Maximum Loan Commitments

The maximum loan amount may be limited by the availability of the funding sources in the Authority's program plan.

HFA 110.10 General Contractor or Construction Manager Requirements

Applicants must comply with HFA 111 for the selection of contractors.

HFA 110.11 Construction Contract Requirements

The Applicant must ensure that the construction contract complies with HFA 111 before the contract is submitted to the Authority. The Authority must approve the construction contract before any construction work can begin.

HFA 110.12 Bonding Requirements

All construction projects shall be in compliance with the HFA 111 bonding requirements.

HFA 110.13 Interest Rate

- (a) The construction loan interest rate shall be determined in accordance with the Authority's policy on setting interest rates.
- (b) Rates shall be established at the discretion of the Authority.
- (c) Interest shall be calculated monthly on the outstanding loan balance.

HFA 110.14 Application

- (a) Applications will be accepted as long as funds are available for commitment.
- (b) Applicants must use the Authority's Rental Production Financing Application that is available on the Authority's Website.
- (c) All Applications must include any supporting documents as requested by the Authority. Applications that do not include all of the requested supporting documents will be returned to the Applicant.
- (d) The Authority, in its sole discretion, may reject any Application that does not meet the requirements of HFA 110.

HFA 110.15 Fees

- (a) The Authority may charge a fee pursuant to the Authority's fee list and published on the Authority's Website.
- (b) The Applicant is responsible for closing costs, including:
 - (1) Recording fees;
 - (2) Title insurance premium;
 - (3) All attorney fees, including those of Authority's counsel;
 - (4) Real estate transfer tax, if applicable; and
 - (5) Any other fees relating to the loan.

HFA 110.16 Closing and Execution of Loan Documents

- (a) The Authority's counsel will circulate a closing agenda prior to loan closing. The Authority will assign responsibility for items on its closing agenda.
- (b) Funds shall not be released until all conditions in the letter of commitment have been met to the satisfaction of the Authority.