NoCo Housing Development & Preservation Loan Fund

Introduction:

The NoCo Foundation has established a philanthropic revolving loan fund to support housing development and preservation, using its own capital while engaging additional investors. Applications will be accepted on a rolling basis, and projects that most closely align with the fund's priorities will be awarded funding as capital is available.

Loan Products Available:

Financing Type	Loan Amount	Term	Origination Fee	Interest Rate	Repayment Term	Collateral (Subordinate Debt Available)
Pre-Development Loan	Up to $500,000	Up to 12 months	1.5%	5.0%	Flexible	Varies by Project
Acquisition Loan	Up to $1,000,000	Up to 36 months	1.5%	3.0-4.0%	Monthly, Interest Only Available	Up to 90% total combined loan to value
Construction Loan	Up to $1,000,000	Up to 36 months	1.5%	3.0-4.0%	Monthly, Interest Only Available	Up to 90% total combined loan to value
Bridge Loan (to cover shortfalls due to the timing of receipt of specified funds)	Up to $1,000,000	Up to 12 months	1.5%	3.0-4.0%	Flexible	Up to 100% total combined loan to value (with commitment for funds being bridged)

**Subject to change as needed based on NoCo Foundation guidance.*

Process:

1. Submit a Pre-Application to the NoCo Foundation. This application can be found on the NoCo Foundation website: nocofoundation.org/noco-housing-initiative.
2. The Pre-Application will be reviewed by the NoCo Foundation Loan Committee.
3. Loans approved by the Loan Committee will be invited to apply complete an application with Impact Development Fund (IDF). This step will include paying a $2,500 application fee, which will be credited to the borrower at loan closing. The loan administrator (IDF) will retain the full amount of the fee in the event the application is withdrawn or denied.
4. Impact Development Fund will do due diligence and create a credit memo for the Loan Committee to review. Applicants will be informed of decision upon loan committee review and determination.

The Loan Committee is comprised of NoCo Foundation Staff and Board Members, along with funding partners. The committee will meet monthly, starting in November 2026.

There is no funding cycle, we will accept applications at any time but will let applicants know of funding availability and corresponding timelines. If your project needs consideration between committee meetings, please note this in your application.

Loan Guidelines:

- **Eligible Borrowers:** Nonprofit, Housing Authority, For Profit Housing Developers
- **Service Area:** Larimer and Weld Counties
- **Loan Amount:** Up to $1,000,000 (no less than $250,000)
- **Loan Purpose:** Borrower will use Loan Proceeds for the development of affordable housing in Larimer and Weld Counties; targeting up to 80% AMI for rental products and 120% AMI for homeownership products.
- **Current Priorities:** The committee will give extra consideration to projects that include housing dedicated to older adults (55+) and projects that include units at lower-than-maximum AMI levels.
- **Application Fee:** Borrower to pay $2,500 application fee at application intake to loan fund administrator. Application fee will be credited to the borrower at loan closing. The loan administrator will retain the full amount of the fee in the event the application is withdrawn or denied.
- **Origination Fee:** 1.50% of the Loan Amount paid by the borrower.
- **Use of Loan Proceeds:** Loan proceeds must be used for eligible development costs as outlined in the application.
- **Loan Term:** Pre-development and bridge loans – 12 months maximum; acquisition loan – 36 months maximum; and construction loan – 36 months maximum.
- **Extension at Maturity:** Up to 6 months, Lender discretion, with 0.25% extension fee (based on the outstanding loan balance) paid to loan administrator.
- **Modification Fee:** If applicable: up to 1.0% of the original loan principal paid to loan administrator.
- **Loan-to-Value:** Pre-development loan - varies by project; acquisition loan - 90% maximum; construction loan – 90% maximum; and bridge loan - 100% maximum.
- **Interest Rate:** Interest rates are established at the time of term sheet issuance and confirmed upon loan commitment., but range between 3.0 to 5.0% based on the product matrix.
- **Collateral:** A deed of trust encumbering the Property in a lien position that is TBD with maximum LTV of 90%. *Lien will not be subordinated to cash flow lenders, soft debt, or equity.
- **Debt Service:** All Foundation debt structures are required to meet a minimum combined debt service coverage ratio of 1.10.

- **Prepayment Penalty:** None.
- **Guarantor:** The Borrower will be required to execute a corporate and personal loan guarantee based on ownership interest (20% and above) as defined in borrower's ownership structure. Final guarantor structure to be determined upon acceptance of loan application.
- **Recourse:** Full recourse. NoCo may seek financial damages if the Borrower fails to pay the loan and if the value of the underlying collateral is not sufficient to cover the debt.
- **Legal Requirements:** Borrower will be required to execute a Note, Deed of Trust, Loan Agreement, and Affordability Covenant (Land Use Restriction Agreement) and to furnish these and such other documents made a part hereof. Borrower agrees that the Loan and this Term Sheet are subject to such additional documentation and legal requirements as may be deemed necessary by Lender's counsel.
- **Land Use Restriction:** Comply with all restrictive covenants and affordability requirements of all loans, tax credits, and grants connected with the Property, including without limitation the Land Use Restriction Agreement (Restriction Agreement) required by the NoCo Foundation. The length of the Restriction Agreement is up to ten years for homeownership units and up to 30 years for rental units. In addition to and not in lieu of Borrower's obligation to comply with the requirements of the Restriction Agreement, Borrower agrees to restrict the property in accordance with the unit count as applied. Borrower agrees to collect income information from the subsequent renters of the Property to verify compliance, and to furnish such information to Lender prior to transfer of the Property to subsequent renters and upon Lender's request.

More information:

Contact Regional Housing Officer, Brooke Cunningham at bcunningham@nocofoundation.org or 970-488-1987.

IDF and the Foundation do not discriminate against anyone through its lending practices or in any other decision-making processes due to race, color, religion, gender, disability, sexual preference, age, family status, or national origin.