



Habitat Oregon Fund: Revolving Loan Program 2016 Application Process

Eligible Activities:

Generally, assistance from the Habitat Oregon Fund (HOF) Revolving Loan Program can be used for the following:

- Land purchase
- Predevelopment costs
- Permits
- Any necessary development studies
- Home Construction
- Reimbursement of the above costs, if within one fiscal year of application

Policy Guidelines for the Habitat Oregon Fund:

- Only Habitat affiliates located and operating in Oregon shall be eligible for funds.
- Applicant affiliates may apply for a loan to reimburse themselves for land purchases, permit payments or other eligible expenses dated up to one fiscal year before application.
- It is the intent of the HOF to leverage additional private and/or public funds, thus, the HOF will only fund a portion of the entire project. All other funds to be used shall be fully identified including sources, amounts, rates/terms (if applicable), prospective or committed.
- Affiliates may apply for up to two HOF loans of up to \$25,000 each, so long as the funds will be used to build at least two separate homes. An affiliate may also apply for a smaller loan, if that would be more useful, e.g. \$6,000.
- The maximum term for the loan is five years.
- All loans will be at zero-percent interest.
- An administrative fee of 5% will be assessed at loan origination.
- Repayments by affiliates will begin on the first day of the month, three months after dispersal of loan funds to the affiliate.
- Monthly payments will be automatically debited from the affiliate's bank account and deposited into the Habitat Oregon Fund account.
- An affiliate will only be eligible for one loan per fiscal year.

To Apply:

To access the Habitat Oregon Fund, affiliates will need to submit an application to Habitat for Humanity of Oregon that includes the following items:

- Location and description of the property to be purchased, a list of permit fees/charges from government agencies (city, county, etc.) or other itemized costs.
- Project plan and timeline
- Amount needed for full project
- Other funding sources, amounts (committed or prospective) and terms, if applicable
- Timeline for funding – When are the funds needed?
- Summary of the affiliate's sources of support
- A detailed program and operating budget for their current fiscal year
- Current financial statements, including (if available) the most recent audit, the most recent 990s, and a year to date profit and loss statement or balance sheet.

In addition, the affiliate will need to certify the following:

- Affiliate is in good standing with the Oregon Secretary of State's office.
- Affiliate is in good standing with the Oregon Attorney General's office.
- Affiliate is in good standing with Habitat for Humanity International (has not received a warning or probationary letter)
- Affiliate is current with its obligations under this and other Habitat for Humanity of Oregon programs.
- Affiliate is current with its IRS 990 filings. (Attach a copy of the first four pages of the most recent filing.)
- The Board has approved the application to the Habitat Oregon Fund (Attach a letter signed by the Board President or a copy of the minutes of the meeting where the Board voted on the application.)

Security Requirements for the Habitat Oregon Fund:

At the time of application, affiliates will indicate in writing, the security being offered for their loan request. Affiliates shall have the choice of three options:

- Letter of Credit from the affiliates banking institution
- A UCC filing with the State Attorney General's office
- A lien against a specific piece of property owned by the affiliate (either a first or junior lien will be acceptable).

All administrative costs involved with the choice of security are the responsibility of the affiliate, not HFHO.

If a Letter of Credit or a property lien is chosen, a letter from the bank stating that the affiliate will be receiving a letter of credit from the bank is required. If formal documentation is not yet available, the affiliate will indicate the following:

- The banking institution from which the letter of credit will come, plus all pertinent contact information, or
- The address and complete legal description of the property being offered, as well as information on whether HFHO will occupy first or junior position.

In the case an affiliate chooses a UCC filing with the State Attorney General's office, HFHO shall make the filing upon transfer of the funds. HFHO will invoice the affiliate for the cost of the filing.

Before final transfer of funds from HFHO to the affiliate, all security paperwork shall be completed in place.

Administrative Fee:

There is a 5% administrative fee for the Habitat Oregon Fund. Affiliates must include a check in the appropriate amount (\$1,250 for a \$25,000 application) made out to HFHO with the application. This check will be deposited upon approval of the loan. If the loan is not approved, HFHO will return the check to you.

Application Review Timing & Process:

Applications from affiliates will be accepted throughout the year until the annual allotment of the revolving loan fund is expended. Once an application is submitted, HFHO will have an answer for the affiliate in no more than 30 days.

The process for reviewing applications is as follows:

- As applications for funds come to HFHO, the Executive Director will forward copies to all members of the loan committee for review within five business days of receipt.
- Comments and questions will be called for by e-mail.
- If there is a lack of clarity, or specific concerns, a meeting or a conference call will be set up within 15 days.
 - If necessary, the Executive Director or Board President of the applying affiliate will be asked to join the meeting or conference call to answer the committee's questions.
- The Executive Director is responsible for contacting the affiliate with the decision.
 - If a loan has been granted, the Executive Director will forward all necessary forms to the affiliate (a signed agreement between HFHO and the affiliate, bank information, permission to automatically debit their account, etc.)
 - Once all forms are completed, a date for distribution of funds will be agreed to, as well as the date when repayments from the affiliate will begin.

Funds will be disbursed as follows:

- If property is being purchased, funds will be disbursed on the day of closing.
- If funds will be used for predevelopment or past purchases, the funds shall be dispersed as soon as possible after the loan approval and when the affiliate has returned all required paperwork to HFHO. Copies of all receipts for permits, platting, etc. are required to be submitted to HFHO.



Habitat Oregon Fund Application Cover Sheet

- 1) Affiliate Name: _____
- 2) Affiliate Mailing Address: _____
City, State and Zip Code: _____
- 3) Affiliate Phone: _____
Fax Number: _____
- 4) Contact information for the Executive Director or Board President (include title):
Name and Title: _____
Mailing Address: _____
Work Phone: _____
Work Fax: _____
Home Phone: _____
E-Mail Address: _____
- 5) Affiliate's Bank: _____
- 6) Bank Address: _____
City State and Zip Code: _____
- 7) Bank Phone: _____
Bank Fax: _____
- 8) Bank Contact Person: _____
Direct Phone Number: _____
- 9) Affiliate's Bank Account Number (to be used for automatic withdrawal of loan payments):
Account Number: _____
Type of Account (Checking, Savings, etc): _____

By signing here, I _____ certify that the Habitat for Humanity affiliate, _____ is in good standing with the Oregon Secretary of State's Office and the Attorney General's Office, as well as with Habitat for Humanity International and Habitat for Humanity of Oregon, and that all information included in this application is true and accurate.

Executive Director

Date

Board President Signatures



Application Checklist:

- Cover Sheet – Completed and signed
- Description of property or list of all required permits with fees, or copies of all pertinent receipts if asking for reimbursement.
- Project plan and timeline – When is it anticipated a house will be built on this land?
- Amount needed for the full purchase price of land, or for all predevelopment costs?
- Other sources of funding – source name, amounts, committed or prospective, terms?
- Timeline of funding – When will you close on the sale of the property? or When do you need funds to pay permitting fees?
- Summary of your affiliate's sources of support including an estimated percentage of budget.
 - Foundations
 - Churches
 - Businesses
 - Individuals
 - Government
 - Fundraising events
- Detailed program and operating budget for current fiscal year
- Current financial statements:
 - Most recent audit (if available)
 - First 4 pages of the most recent 990 form
 - Year to Date Profit and Loss statement or Balance Sheet
- Security Requirement – Letter indicating what type of security you will offer and necessary supporting documents
- 5% Administrative Fee – A check made out to HFHO in the amount of \$1,250 for applications of \$25,000.
- Board approval – Letter signed by Board President or copies of minutes