Highlights from Other States: HFA Programs

The CHFA Multifamily Lending Perspective

NIFA Housing Innovation Marketplace Conference

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chfa

- Created by the Colorado State Legislature in 1973 to finance affordable housing around the State
- Quasi-governmental, not part of State
- Single-family loans, multifamily loans, small business loans
- Multifamily – over 60,000 units impacted by CHFA over 43 years, close to 20,000 financed
CHFA/HUD 542(c) Risk Share Program

- HUD and CHFA share the default risk under this program on a 50/50 basis
- Allows for faster processing time
- CHFA underwriting, HUD review
- Construction to permanent, perm only, refinances, acquisition/rehab
CHFA Multifamily Loan Programs

- **9 Percent Tax Credit Loan Program**
  - Perm only, refinances, forward rate lock available

- **4% LIHTC Tax-Exempt Loan Program**
  - Construction to perm

- **FFB Risk Share Program**
  - Perm only, refinances or projects with minimal rehab

- **Housing Opportunity Fund (HOF)**
  - Annual set-aside from general fund
CHFA Multifamily Loan Programs

• 4% LIHTC Tax-Exempt Loan Program
  • Risk Share insurance during construction and permanent phases, covers the amount of debt supported by NOI; requires bridge financing; subject to Davis Bacon wages
  • Bank private placement on short-term bonds, bank LOC on long-term bonds during construction, Risk Share permanent loan, no Davis Bacon requirement during construction
  • Flexible—costs of issuance, negative arbitrage, and letter of credit fees can be built into the long-term rate
CHFA Multifamily Loan Costs

- $2,000 application fee
- 1% origination/commitment fee
- 2% bond cost of issuance (generally)
- 0.25% for FHA MIP
- Third party costs – market study, appraisal, environmental, etc.
- Legal – when involving bonds or other special circumstances
Questions?

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