

colorado housing and finance authority

CHFA Business Finance Partnership Opportunities

CHFA, Commercial Lending Division

financing the places where people live and work



CHFA Overview



Contributions to affordable housing

- Home loans
- Rental housing



Economic development functions

- 25 years of small business lending
- Community and economic development tools





Commercial Lending Division

Business Finance

- Real Estate Loans
- Bond Issuer
- Contract Services

Multifamily Lending

- Permanent Financing
- Acquisition and Rehab

Low Income Housing Tax Credits

- State LIHTC allocator
- Developer Resource





Business Finance Partnership Opportunities





Commercial Real Estate Lending

Nonprofits

- Real Estate
- Permanent Financing
- Fixed Interest Rates

Small Businesses

- Real Estate and Equipment
- Permanent Financing
- Fixed Interest Rates





Commercial Real Estate Lending, continued

Nonprofit Real Estate

USDA
Community
Facility
Guaranty

Taxable
Financing

Tax Exempt
Bond
Issues

Benefits

Long-terms (up to 30 yrs)
Term matches amortization
Fixed interest rates
Up to 90% financing
No personal guarantees





Commercial Real Estate Lending, continued

Small Business Loans		
Business & Industry Guaranty	SBA 504	CHFA Rural Development Loan

Benefits

Long-terms
Term matches amortization
Fixed interest rates
Up to 90% financing
Below market rates in select counties





Banker Programs



Colorado
Credit Reserve



Guaranty
Purchases



Manufacturing
Bond Program

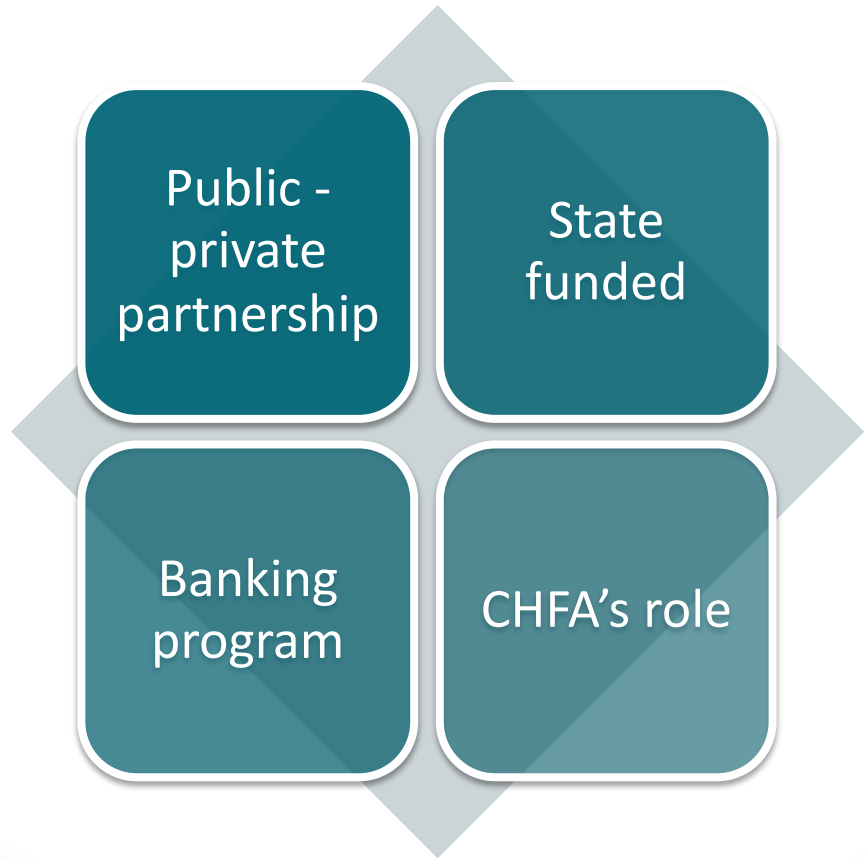


Mini-bond
Program





Banker Programs: Colorado Credit Reserve





Banker Programs: CCR Basics

Each lender opens a bank account

Borrowers apply directly to lender for loan

Lender uses internal underwriting standards

No CHFA involvement, no CHFA application, etc.





Banker Programs: CCR Fee Structure

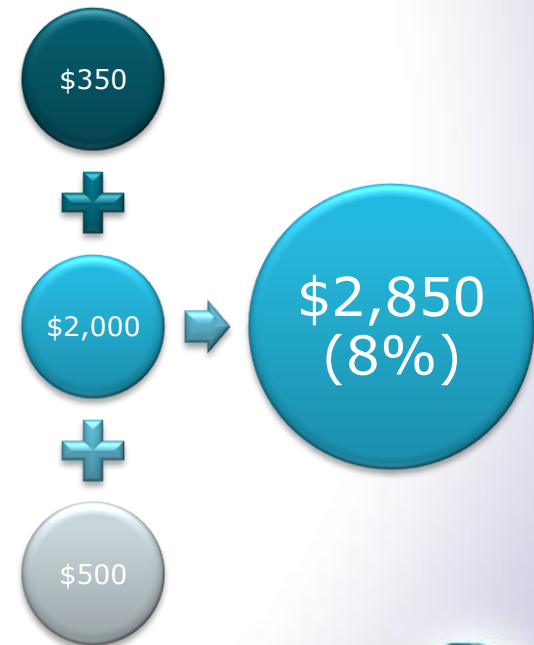
Loan Size	Borrower Contribution	CCR/CHFA Contribution
Up to \$65,000	1%	\$2,000 (\$2,500)
\$66,000 to \$250,000	1%	3% (3.75%)
\$251,000 to \$500,000	1%	\$7,500 (\$9,375)





Banker Programs: CCR example

- ▼ Borrower applies to lender for \$35 thousand in working capital
 - ▼ Lender uses internal underwriting guidelines to approve loan
 - ▼ Lender closes loan with borrower
- ▼ Borrower pays 1% to use CCR
 - ▼ Funds are deposited in lender's reserve account
- ▼ Bank registers loan with CHFA
- ▼ CCR funds are deposited in reserve





Banker Programs: How are Lenders using CCR?

New
Relationships

Strengthen
LOC Renewals

Projects
located in
Enterprise
Zones

Quickly
depreciating
collateral

Aggressively
build reserves

Small but
riskier loan
transactions





Banker Programs: Guaranty Purchases

Farm Service Agency

- Operating Lines
- Farm Ownership

Small Business Administration

- SBA 7(a) loans

USDA Rural Development

- Community Facilities
- Business & Industry





Banker Programs: Manufacturing Bonds

Industrial Development Bond Structures

Private Placement

Credit Enhanced

Underwriter

Legal
Council

Issuer

Underwriter

Legal
Council

Issuer

Letter of
Credit Bank

Remarketing
Agent





Banker Programs: Manufacturing Bonds

Uses

- New construction
- Expansion of existing facility
- Equipment purchase
- Projects up to \$10 million

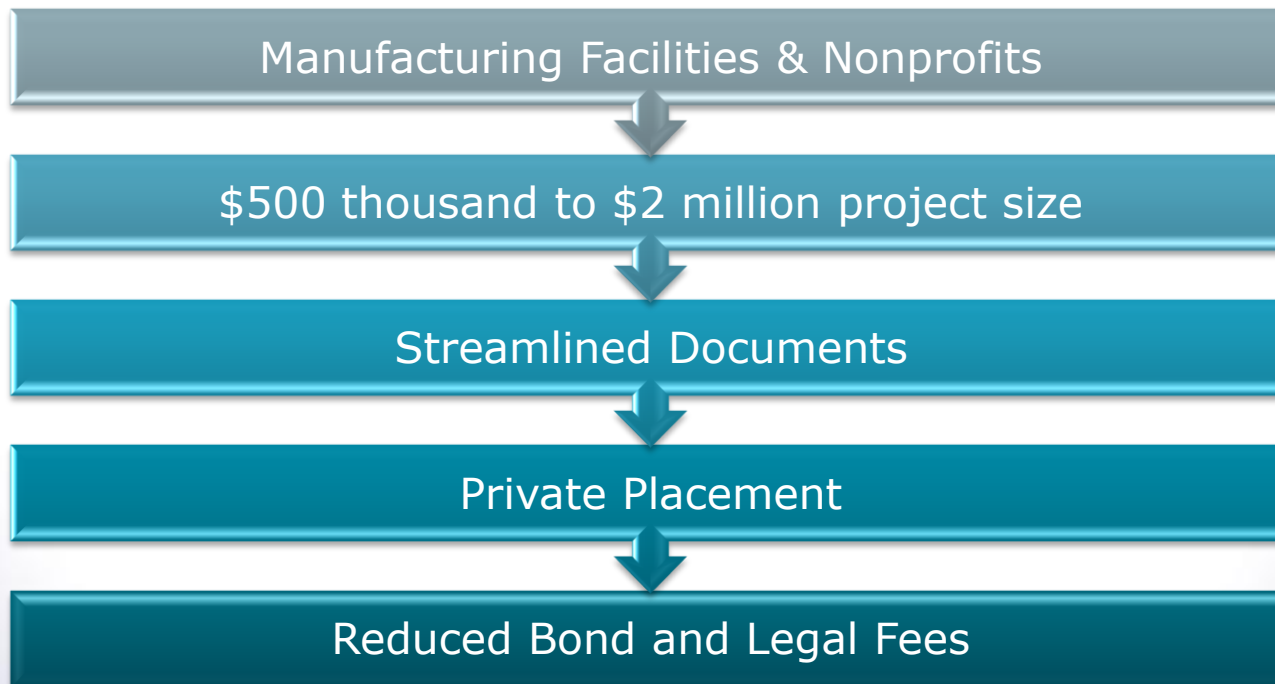
Benefits

- Below market interest rate
- Loan terms of up to 30 years
- Soft costs may be included in financing
- Streamlined application process



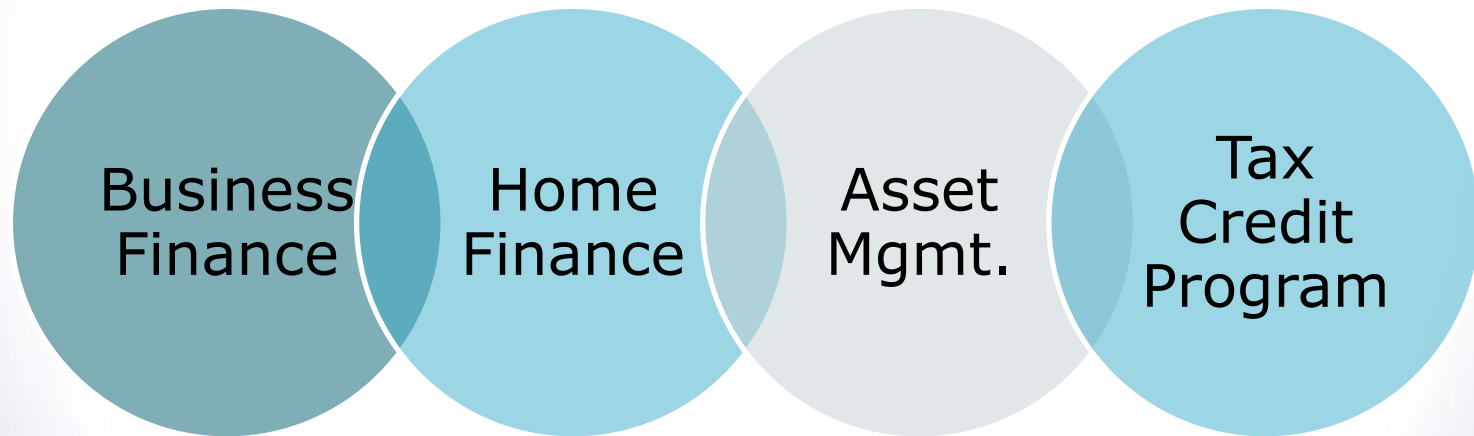


Banker Programs: Mini-bond Program





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Thank you!

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