

simple program

Small Multifamily Permanent Loan

The SIMPLE Loan provides up to \$3 million in uninsured permanent financing for 9% LIHTC projects. With streamlined execution, you can get to loan commitment in as little as 60 days of submitting a complete application, and you can pair it with CHFA's gap programs to receive even more funds!

Mission-driven.
Community-focused.
Trusted partner.

Eligible Projects

9% LIHTC: Acquisition, new construction, and substantial rehabilitation

Program Benefits

Non-recourse uninsured debt for up to 40 years
Rate lock: Standard 24 months during construction (extension available)
60-90 days from receipt of complete application to loan commitment

CHFA-specific Benefits

Solutions-oriented underwriting team
In-house Construction Services team: Conducts due diligence reviews and inspections
Gap financing available! Pair with one of CHFA's flexible programs.

Loan Limits

\$3 million
Lesser of 90% LTV or development costs
Debt Service Coverage: 1.15
Amount supportable by the project's stabilized net operating income

Loan Terms

35 or 40 years
Fully amortizing
Prepayment lockout: 10 years

Interest Rates and Fees

Competitive fixed rates (see website for more information)
Rate Lock: Standard 24 months during construction (extension available)
Loan Origination Fee: 1%
Lock Fee: 2% for 24 months
LOI/Application Fee: \$2,000
Additional Fees: Construction Services inspection fee and third-party costs

Conditions Include

Must conform with CHFA Credit Policy, including operating and replacement reserve requirements

CHFA Community Development
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Small Multifamily Permanent Loan FAQs

Are 4% or 4% and State LIHTC projects eligible for the SIMPLE loan product?

Ideally the SIMPLE loan product is used with 9% LIHTC projects. However, limited amounts of uninsured lending may be eligible for other projects.

Since SIMPLE is uninsured, will I have to provide a personal guarantee?

No. Typically, CHFA financing is non-recourse to the developer. In most cases collateral will consist of the project land and improvements being financed along with any other security CHFA deems necessary.

What's the difference between uninsured and insured?

Uninsured does not include a credit enhancement product, such as Federal Housing Administration (FHA) insurance, and does not require a Mortgage Insurance Premium. Insured products utilize FHA Insurance or other credit enhancements to back multifamily loans.

What is the timeframe to issue a CHFA loan commitment?

Typically, the underwriting review takes 60-90 days from receipt of complete application to loan commitment.

When will the loan fund?

The loan will fund after construction is complete and the project has achieved stabilization. Stabilization is defined as 90 consecutive days of 93% occupancy, 1.15 debt service coverage, and rents at the underwritten amounts.

When is the 2% rate lock fee due?

The 2% rate lock fee (non-refundable) is due when the loan commitment is returned to CHFA and accepted.

This document is intended only to highlight certain CHFA program requirements. Loans are subject to other requirements including the CHFA Credit Policy and applicable operating and replacement reserve requirements.

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Does CHFA have reserve requirements?

CHFA requires an operating reserve sized to six months of underwritten operating expenses and debt service. Replacement reserve deposits and tax/insurance escrows are required once the project converts to the permanent period. For new construction projects, the minimum replacement reserve deposit is \$300 per unit per year for senior properties, \$350 per unit per year for family properties, and \$400 per unit per year for permanent supportive housing properties. For acquisition/rehab properties, the corresponding reserves minimums would be increased by \$50 per unit per year.

