

COMMUNITY FACILITIES LOAN PROGRAM

Rural Community Assistance Corporation's (RCAC) Community Facilities Loan Program helps create or improve essential community facilities to serve communities in the rural West. This RCAC loan program offers short-term loans to meet early acquisition and pre-development needs, interim construction costs and long-term permanent financing. Essential community facilities include a wide variety of projects, such as public buildings, nonprofit office buildings, treatment centers, emergency and transitional housing, assisted living, human services, public safety, child care, education and cultural facilities. These are only examples; many other types of projects are eligible.

General Program Requirements

■ ELIGIBLE APPLICANT

Nonprofit organizations, public agencies and tribal governments.

■ ELIGIBLE AREA

Projects must be located in rural areas with populations of 50,000 or less in Alaska, Arizona, California, Colorado, Hawaii and other pacific islands, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington or Wyoming. In instances where the USDA Community Facility loan program is used as the take-out source for an RCAC short-term loan or as a guarantor for an RCAC long-term loan, the rural area population limit is 20,000.

■ ELIGIBLE PROJECTS

Eligible projects include community facility projects that primarily serve low-income populations or that serve the general population in a community where median household income does not exceed the state or the county median household income, whichever is greater.

Loan Products

■ SHORT-TERM LOANS (1 TO 3 YEARS) FOR:

Feasibility (such as market studies and environmental reports)

- Loan amount normally not more than \$10,000
- Unsecured, Promissory Note only
- Normal term — one year
- Loan Fee — 1 percent
- Entity and project must be eligible for long-term financing from governmental or other source and have reasonable prospect for probable funding
- Entity must agree to repay loan, on extended terms if necessary, if project does not proceed

Acquisition

- Maximum loan amount up to appraised value of site plus loan fee and interest reserve, normally not to exceed \$3 million
- Secured by lien on the real estate acquired
- Term — up to three years
- Loan may include loan fee and interest reserve (for interest accrual during loan term)
- Loan Fee — 1 percent
- Committed take-out not required, but must demonstrate feasibility based on available long-term lending programs
- RCAC may subordinate to a construction lender

Construction

- Loan amount — normally not to exceed \$3 million
- Secured by lien on real estate
- Term — commensurate with the construction period for the project
- Loan Fee — 1 percent and 0.25 percent on the construction costs
- Committed take-out financing is required

LONG-TERM LOANS:

- Loan amounts normally not to exceed \$6 million
- Secured by lien on real estate
- Must meet USDA Community Facilities or Business and Industry Guaranteed Loan Program requirements
- Fees — 1 percent loan fee plus USDA guarantee fee charges (either 1 or 3 percent of guaranteed portion depending on USDA guarantee program used)
- Interest rate — set at time of closing in accordance with the secondary market rate for the term of the loan
- Loan term — maximum 30 years or remaining useful life of security, whichever is less

General Information

- Loan applications are available online at www.rcac.org. Applications are specific to the requested loan product. RCAC loan officers can provide application assistance.
- Interest rates and fees are determined periodically and are subject to change. Short-term rates are generally in the 5 percent range.
- The RCAC loan committee can make loan policy exceptions to tailor a loan to fit particular project needs.
- Amounts given as normally not to exceed are loan policy limits; higher amounts may be approved.

RCAC

Rural Community Assistance Corporation (RCAC) provides training, technical and financial resources and advocacy so rural communities can achieve their goals and visions

Founded more than 35 years ago, RCAC provides a wide range of community development services for rural and Native American communities, and community-based organizations in 13 western states and other Pacific islands. RCAC was certified as a Community Development Financial Institution (CDFI) in 1996 and finances affordable housing, community facilities, utility infrastructure and small businesses in rural communities. As a certified CDFI, RCAC fills financing gaps and serves those traditionally neglected by conventional markets.

With nearly \$130 million in lending capital, RCAC is a major resource for rural communities. Headquartered in West Sacramento, California, RCAC's more than 100 employees serve rural communities from field offices located throughout our service region.

Contacts

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RCAC Loan Fund contacts are subject to change without notice. If the loan officer you are trying to reach is unavailable, please call the corporate office at (916) 447-2854 and ask for the Loan Fund.

RCAC is an Equal Opportunity Lender