

Short-Term Real Estate Acquisition Program

Purpose	Provide flexible, short-term capital that allows partners to take advantage of an opportunity to acquire real estate quickly. Funds may be used for real estate acquisition and associated closing costs. The ultimate goal must be to preserve or create new affordable housing.
Applicant Eligibility	<ul style="list-style-type: none"> • Maine-chartered Public Housing Authorities and Community Action Agencies and their wholly-owned subsidiaries • Non-profit affordable housing developers • Satisfactory lending history with MaineHousing • Compliance with federal and MaineHousing conflict of interest prohibitions
Eligible Activities	<ul style="list-style-type: none"> • Real-estate acquisition for the preservation of existing, or the creation of future, affordable housing
Affordability	<ul style="list-style-type: none"> • Applicant must submit a plan describing the future income and rent restrictions
Maximum Funding	<ul style="list-style-type: none"> • If no appraisal at time of application: lesser of (i) two times unrestricted reserves as evidenced by the most recent audited financial statements or (ii) \$1,500,000. For loans \$1,000,000 or greater, an appraisal is required within 60 days of loan closing • If current appraisal: up to 85% loan to value
Rate & Term	<ul style="list-style-type: none"> • 5.00%, interest-only payable on a monthly basis • Principal balance due at earlier of permanent financing or 24 months • The rate on loans that are not paid within 24 months will automatically increase by 2% until paid in full, provided the loan must be paid in full no later than 24 months from the end of the original term of the loan.
Security	<ul style="list-style-type: none"> • First lien mortgage on real-estate • Loans are recourse to the borrower (guarantee may be required)
Submission Requirements	<ul style="list-style-type: none"> • Audited financial statements for the most recent fiscal year end • Short-Term Financing Application • Plan detailing the project's public purpose; expected income and rent restrictions; time-line for project completion and take-out of short-term financing; and expected source and terms of permanent financing
Displacement	Displacement of existing tenants to comply at a minimum with MaineHousing's Displacement and Relocation Policy which is on page 8 of MaineHousing's Multi-Family Mortgage Loans Rule (Chapter # 29) available at https://www.mainehousing.org/docs/default-source/msha-rules/ch-29---multifamily-mortgage-loan-rule.pdf
Taxes and Insurance	<ul style="list-style-type: none"> • Property taxes to be current during term of MaineHousing funding • Property insurance subject to MaineHousing review and concurrence; MaineHousing provides recommended insurance standards on the MaineHousing web-site

Maine State Housing Authority does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, marital status, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Lauren Bustard, Maine State Housing Authority, 26 Edison Dr., Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.



MaineHousing reserves the right to suspend or terminate the Program at any time and to cease processing any application prior to issuance and acceptance of a term sheet.

Approved:



Daniel E. Brennan, Director
Updated December 28, 2022