



Missouri Housing
Development Commission

FINANCING GUIDELINES

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Agenda

- PRESENTATION OVERVIEW
- Financing Commitment Letter Requirement for Application
- MHDC Funds Available
- Changing Funding Sources

FINANCING COMMITMENT LETTER

- **IF** an application proposes to use non-MHDC funds, **THEN** you must include a commitment letter for these funds.
- If there is more than one source, the letters must specify the priority among the various letters.
- Commitment letters must be from the funding source.

FINANCING COMMITMENT LETTER (Continued)

Commitment letters are also required for proposed **participation loans**.

Note: Provided that the proposed participating lender meets MHDC's minimum requirements, a participation loan can be done with any bank selected by the development team.

MHDC FUNDS AVAILABLE

The amount of MHDC funding available for lending is set forth in the FY2022 NOFA.

Interest rates are dependent upon loan type and development characteristics.

GUARANTY REQUIREMENT

- All MHDC loans require a guaranty during the construction phase of the loan.
- Depending on the type of loan, guarantors may include the general partner and the developer (together with all respective principals). To the extent an investor requires additional guarantors, MHDC reserves the right to match the investor's requirements.

MHDC reserves the right to require additional guarantors based on deal specifics.

FY 2022 UPDATES

- As in prior years, FY2022 resources are limited; please be responsible in requesting MHDC funds.
- If you intend to seek out non-MHDC financing, make your best efforts to secure that financing before submitting your application.
- Staff may need to use HOME funds to fill gaps; be aware of HOME-specific requirements.
- Changing from MHDC sources to non-MHDC sources post-award will only be allowed if financially beneficial to the development.

Questions?

Please contact Anne Powell, General Counsel at
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