

State Housing Finance Agency Programs

A Program for Financing Affordable to Market-Rate Housing

Program Description	Under this program, the Trust invests in taxable bonds or loans issued by state or local housing financing agencies to finance affordable housing that involves new construction or substantial rehabilitation. The investments are structured through private placements at pre-determined rates.
Investment Requirements	Loans, securities or bonds are eligible investments provided they are: <ul style="list-style-type: none"> ▪ Fully collateralized or secured by cash or an acceptable form of guaranty (e.g. FHA Risk Sharing, FHA Insurance, Private Insurance, etc.) as determined by the Trust; or ▪ Supported by the full faith and credit of a state or local government, agency or instrumentality having taxing authority; or ▪ Issued by a Housing Finance Agency (a) having either (i) a designation as "top tier" by S&P or (ii) a general obligation rating of A or better by S&P and (b) credit enhanced in a form acceptable to the Trust.
Eligible Projects	New construction or substantial rehabilitation of affordable multifamily units are eligible.
Union Labor Requirements	All housing projects eligible for Trust financing must employ a 100% union labor workforce during the construction period. Trust staff will assist developers in meeting this requirement.
Location	Nationwide.
Loan Size	From \$1 million.
Loan Term	Up to 40 years.
Underwriting Standards	Underwriting criteria, such as loan-to-value and debt coverage ratios, are generally determined by the housing finance agency involved.

**Loan
Funding**

The Trust construction loan is advanced based on a draw schedule, eliminating the negative arbitrage typically associated with bond-financed construction loans.

Rates

Contact the Trust for current mortgage loan rates.

**Financing
Advantages**

Under this program, both construction and permanent interest rates are set at the time of commitment and are fixed for the term of the loan. Developers and borrowers can estimate debt service costs with certainty. Once set, even the construction loan rate will be fixed.

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