An Introduction & Overview: 
Products, Services, and Approach

Presented by
Ali Robinson, Director of Commercial Lending
and
Jaclynn Alves, Assistant Residential Lending Manager
HDF’s Mission

The Housing Development Fund, Inc. believes that all households and families should have access to affordable housing, and that affordable housing and economic diversity are beneficial to our communities.
HDF At A Glance

• Founded in Stamford in 1989

• Serving all of Connecticut & southern New York state

• Certified by the U.S. Treasury Department as a Community Development Financial Institution (CDFI)
What is a “Community Development Financial Institution (CDFI)”?

[Short Answer: A Bank with a Mission]
CDFIs PROVIDE OPPORTUNITY. FOR ALL.

Community development financial institutions (CDFIs) are private financial institutions that are 100% dedicated to delivering responsible, affordable lending to help disinvested people and communities join the economic mainstream.

CDFIs TARGET UNDERSERVED POPULATIONS
- **48%** PEOPLE OF COLOR
- **73%** LOW-INCOME
- **25%** RURAL
- **48%** WOMEN

CDFIs CREATE TANGIBLE IMPACT
- **MORE THAN 1,000,000 JOBS CREATED OR MAINTAINED**
- **MORE THAN 1.5 MILLION HOUSING UNITS**

CDFIs INVEST IN AMERICA
- **$5 BILLION**

Since 1965, OFN Member CDFIs have provided more than $48 billion in responsible, affordable lending across the country. In 2015 alone, OFN Member CDFIs provided $5 billion to low-income individuals and communities.

CDFIs ARE PERFORMANCE ORIENTED
- **0.4% NET CHARGE-OFFS**

Cumulative outcomes for OFN Member CDFIs, 1985–2015

In 2015 CDFIs’ results were on par with mainstream financial institutions. Like banks, their net charge-off rate was 0.4%.
People | Collaboration | Home
Core Program Areas

Homebuyer Counseling
• Develop a path to homeownership, increase savings, reduce debt, and identify programs
• One-on-one counseling (free of charge) & Workshops and trainings (required for some products)

Residential Lending
• Stackable downpayment and closing cost products
• Available to income qualified first-time homebuyers purchasing a home in HDF’s service area

Commercial Lending
• Predevelopment, acquisition/rehabilitation, construction, mini-permanent and permanent, bridge, refinancing, and participations
• Partnership/financing for Energy Efficiency audits and retrofits (CT Green Bank)
• Eligible projects include subsidized affordable housing, special needs and supportive housing, mixed income housing, and mixed-use projects with residential as the main use
HDF Impact Overview:
Housing Units and Dollars Deployed

<table>
<thead>
<tr>
<th>Category</th>
<th>#</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households Served</td>
<td>13,929</td>
<td></td>
</tr>
<tr>
<td>Individuals Counselling</td>
<td>9,006</td>
<td></td>
</tr>
<tr>
<td>FTHB Clients Educated</td>
<td>1,972</td>
<td></td>
</tr>
<tr>
<td>New First Time Homebuyers</td>
<td>2,982</td>
<td></td>
</tr>
<tr>
<td>SmartMove Loans Originated</td>
<td>2,123</td>
<td>$ 85,808,271.00</td>
</tr>
<tr>
<td>HBA Loans Originated</td>
<td>2,243</td>
<td>$ 34,817,598.00</td>
</tr>
<tr>
<td>New Multifamily Homes Created/Preserved</td>
<td>2,085</td>
<td></td>
</tr>
<tr>
<td>Financing Provided</td>
<td>#</td>
<td>$</td>
</tr>
<tr>
<td>Bank Resources Leveraged</td>
<td>2979</td>
<td>$ 433,071,889.00</td>
</tr>
</tbody>
</table>
Residential Lending & Counseling Programs

Jaclynn Alves, Assistant Residential Lending Manager
HDF Residential Loan Programs in CT

• SmartMove

• Live Where You Work

• SmartClose
Residential Lending: Participating Lenders in CT

First Mortgages must be with one of the following participating lenders.

Bankwell Bank
Chelsea Groton Bank
Citi
First County Bank
Fairfield County Bank
Ion Bank
Liberty Bank
M&T Bank
Newtown Savings Bank
Norcom Mortgage
People’s United Bank
Savings Bank of Danbury
Signature Bank
Stamford Mortgage Company
Thomaston Savings Bank
Union Savings Bank
Webster Bank
CT SmartMove

- Down payment assistance
- Up to 20% of purchase price
- 2nd mortgage
- 20 year term, 3% interest rate
- Monthly payments
- $750-$2,500 service fee added to closing costs
CONNECTICUT SERVICE AREA

Thinking of buying a home in Connecticut? Wherever you are in the home buying process, HDF's expert homebuyer development and down payment assistance programs can help you achieve your homeownership goals.

Income Limits by County

<table>
<thead>
<tr>
<th>County</th>
<th>Income Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fairfield</td>
<td>$119,000</td>
</tr>
<tr>
<td>New Haven</td>
<td>$90,700</td>
</tr>
<tr>
<td>Litchfield</td>
<td>$100,900</td>
</tr>
<tr>
<td>Hartford</td>
<td>$98,400</td>
</tr>
<tr>
<td>Middlesex</td>
<td>$98,400</td>
</tr>
<tr>
<td>New London</td>
<td>$96,200</td>
</tr>
<tr>
<td>Tolland</td>
<td>$98,400</td>
</tr>
<tr>
<td>Windham</td>
<td>$95,300</td>
</tr>
</tbody>
</table>

These income limits represent 100% median family income based off the most recent FFIEC data, and apply only to HDF SmartMove program.

Eligibility, including income eligibility, varies by program.

** Increased Income Limits in targeted areas throughout the state.

Start your journey today at hdf.force.com/hdfcft

v. 8/17/2018. MD Sept. 2019

NMLS ID: 840392
SmartMove Eligibility Requirements

- First-Time Homebuyer (has not owned a property in last 3 years)
- Purchasing in HDF service areas
- Household income cannot exceed established limits
- Max CLTV 100% for SmartMove / 105% with additional assistance
- Enchanced income limits for Targeted Census Tract Areas- Up to 120% FFIEC income
- Ratio Guidelines: 33/41 – Exceptions can be made
SmartMove Eligibility Requirements

• 1% downpayment as minimum Borrower contribution – must be own funds
• Complete counseling process with HDF or an approved partner agency
• Complete 8 hour homebuyer education course by HUD approved agency
• First Mortgage must be with a SmartMove participating lender
• Subject property must be owner-occupied
• US Citizen / permanent or non-permanent resident / certain Visa classifications
• Bankruptcy discharged at least 4 years ago / No foreclosure within 7 years / No short sale within 4 years
• PITI reserves of 2 months for single family/condo or 4 months for multifamily
• 3 active tradelines / non-traditional OK (in addition to rent) / Good payment history and debt management
• 2 years of steady work history in the same industry
• Property inspection with no safety or soundness issues – estimates will be required
Live Where You Work

- Down payment and closing cost assistance
- Up to $20,000
- 0% interest, 30 year mortgage
- No monthly payments
  - Due when property is sold or refinanced,
  - transfer of title or payoff of the first mortgage
- Subject property is in town where client works full time.
- $750 service fee added to closing costs
- Follows the same eligibility requirements as SmartMove – except income (80% FFIEC by household size)
SmartClose CT

- Closing Cost Assistance up to $5,000.00
- Must be used in conjunction with SmartMove
- Follows the same eligibility requirements as SmartMove
- Up to 105% CLTV
- 30 years; 0% interest
- No monthly payments
- Service fee of $250.00
CDFI and a HUD Approved Counseling Agency

Accessing HDF loan products is a two-step process:

**Step 1: Counseling**
- Counseling application and documents submitted
- Eligibility & Readiness Assessed
- Individual Counseling Session(s) provided
- Home Buyer Education options provided

**Step 2: Lending**
- Accepted offer on property
- First Mortgage loan application initiated
- Simultaneous submission of HDF Loan Application and required documents.
Starting the process with HDF

www.hdfconnects.org
Counseling Partners in Connecticut

Clients may also choose to work with a partner agency.

• NHS New Haven

• NHS Waterbury

• Bridgeport Neighborhood Trust
Helpful Links

HDF CT Program Pages
SmartMove
• https://hdfconnects.org/smct/
  SMCT coverage and income limits http://pub.lucidpress.com/hdf_map_ct/

Live Where You Work
• https://hdfconnects.org/lwyw/
  LWYW coverage and income limits http://pub.lucidpress.com/LWYW_limits

HDF First Time Homebuyer Page
• https://hdfconnects.org/borrow/fthb
Get in touch:

Jaclynn Alves

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- jalves@hdfconnects.org

www.hdfconnects.org
Housing Development Fund

Commercial Lending
(Affordable Multifamily Housing)

Ali Robinson
Director of Commercial Lending
Impact: All financing provided, to-date

- $63,460,757: Fairfield County
- $4,763,500: New Haven County
- $1,553,575: Hartford Area
- $10,875: Tolland County
Commercial Lending: Product Overview*

**Loan Types:** Predevelopment; Acquisition/Rehabilitation; Construction; Mini-permanent and Permanent; Bridge; Refinance; Participations

**Loan Terms:** 1-30 year maturity; Competitive rates; 15% borrower equity requirement; 1\textsuperscript{st} mortgage security

**Borrower Types:** Non-profit affordable housing developers; Housing Authorities; Single-purpose private entities

**Project Types:** Affordable Multifamily housing; Subsidized affordable housing; Special needs and supportive housing; Mixed income housing; Mixed-use with residential as main use

**Project Eligibility:** Sufficient property value (LTV); Projected ability to service debt (DSCR); 30% - 100% of project units affordable (based on project location and other factors)

(*Illustrative examples only. Other terms may apply per project and borrower risk profile.*)
Our Loan Application Process

1. **Contact us with an Initial Inquiry**
   - Share general information about your project; learn about our products, application process, and approach.
   - After review, staff will determine eligibility to proceed into a formal application.

2. **Submit a Loan Application**
   - Share borrower and project information, property management plan, project cost estimates, financing request details.
   - Submit supportive verification materials.
   - Provide $250 application fee.

3. **Coordinate with staff to prepare Loan Request Presentation / Approval**
   - Provide additional detail as requested by our underwriters.
   - Loan request will be presented to approval committees. Upon approval, staff will coordinate to jointly proceed toward closing.

4. **Loan Closing**
   - Coordinate with staff to meet pre-closing conditions, transaction logistics, and documentation.

5. **Loan Servicing**
   - Maintain communication, ensure loan compliance, engage during annual audits, provide full repayment.
Case Study: Waterbury
Case Study: Waterbury

Closing date: May 2019

Borrower
- Small-scale local developer
- Track record of developing other similar CT properties
- Familiarity with local market

Considerations
- Borrower: Financial and professional profile; entity/team composition
- Property: Sufficient appraised value in property, to serve as collateral (mortgage)
- Project: Operating viability; Debt service coverage
- Mission alignment: at least 30% of all units affordable

Loan Type: Construction-to-Permanent (30yr term)

Use of Funds: Gut rehabilitation and renovation of fire-damaged vacant 4-unit property

Target Outcome: Structural improvements, increased unit count (8 units; all affordable)
Get in touch:

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• (203) 883-5215
• ARobinson@hdfConnects.org

www.hdfconnects.org
Let’s work together and get good things done.