

2605 TERMS AND CONDITIONS OF LOANS

- 2605.1 Initial Retainer Seed Money Loans may be made in an amount not to exceed five thousand dollars (\$5,000).
- 2605.2 The amount for any individual professional retainer service shall not exceed two thousand dollars (\$2,000) for an architect or lawyer and one thousand dollars (\$1,000) for an organizer, appraiser, engineer, or general developer/consultant.
- 2605.3 Proceeds from Initial Retainer Seed Money Loans shall be disbursed on a reimbursement basis for actual retainer expenses incurred by invoice from the supplier of the service.
- 2605.4 Comprehensive Seed Money Loans shall be approved for amounts not to exceed eight percent (8%) of the total estimated cost of development, including acquisition, rehabilitation, and marketing.
- 2605.5 Proceeds from comprehensive seed money loans shall be disbursed on a schedule agreed upon by the Department and the tenant association for the reimbursement of fifty percent (50%) of actual eligible expenses incurred.
- 2605.6 Both the Initial Retainer Seed Money Loan and the Comprehensive Seed Money Loan shall be non-interest-bearing.
- 2605.7 All loans shall be due at the time of closing on the permanent financing unless efforts to purchase cease before that time as evidenced by an association's failure to contract or to go to settlement. If the property is not acquired, loans shall be due within sixty (60) days of the date of such failure to contract or go to settlement.
- 2605.8 The Department may forgive up to one hundred percent (100%) of the loan amount if the tenant association can demonstrate to the satisfaction of the Director the following:
- (a) That it has made diligent efforts to assess and collect funds from its members; and
 - (b) That it does not have sufficient assets to repay any part or all of the loan.

SOURCE: Notice of Final Rulemaking published at 27 DCR 4606, 4609-4610 (October 17, 1980).