

2706 AMOUNTS AND TERMS FOR TENANT ASSOCIATION GAP FINANCING

- 2706.1 Gap financing assistance available to tenant associations shall be provided in accordance with the provisions of this section.
- 2706.2 Loan guarantees shall be provided to cover up to ninety percent (90%) of the lenders risk for eligible costs.
- 2706.3 Interim loans shall be provided to cover up to ninety-nine percent (99%) of eligible costs.
- 2706.4 Security for interim loans shall be by a recorded lien on the purchased property.
- 2706.5 Interim loans shall be made for a period not to exceed eighteen (18) months from date of settlement on the interim loan. An interim loan shall become due at the time of closing on the permanent financing.
- 2706.6 Tenant associations applying for an interim loan shall demonstrate to the satisfaction of the Department their inability to secure adequate private interim financing and their ability to secure adequate permanent financing.
- 2706.7 Interest shall be assessed to all gap loans at a rate of not less than one percent (1%) nor more than nine percent (9%) per annum to be determined by DHCD based on the tenant association's ability to repay the loan. A schedule of interest payments may be required during the loan period.

SOURCE: Notice of Final Rulemaking published at 28 DCR 903, 908-909 (February 27, 1981); as amended by Notice of Final Rulemaking published at 30 DCR 811, 814 (February 13, 1983).