The Hartford Community Loan Fund provides affordable and flexible financing for the revitalization of Hartford neighborhoods. HCLF’s Construction / Rehab Loan offers a cost-effective alternative for purchasing and rehabbing single or multi-family residential and mixed-use properties.

- **Loan Size:**
  - $50,000 - $500,000, with at least 25% of total proceeds used for rehab purposes. HCLF can also facilitate larger financing packages for more sizeable projects;
  - HCLF obtains independent appraisal to determine as is and post-rehab value of property;
  - HCLF may fund up to 75% of the lesser of the project’s development budget or the post-rehab appraised value of the property;
  - For investment properties, maximum loan size also determined by expected cashflow to be generated by rehabbed property.

- **Loan Options:**
  - Interest only construction loans of up to 24 months;
  - Interest reserve can be established to cover interest costs during construction when the property is not yet generating cashflow;
  - During the underwriting process, HCLF will work with the borrower to identify permanent mortgage financing for takeout of the HCLF rehab loan.

- **Eligible Borrowers:**
  - Owners of residential and mixed use properties in Hartford. At completion of rehab, all units must be affordable for low income tenants or homeowners. Contact HCLF for more details.
  - Borrower and/or general contractor should have demonstrable record of having successfully completed projects of similar size and cost; owner should be up-to-date on taxes for any properties owned in Hartford;
  - General Contractor must be licensed and insured in the State of Connecticut, be Lead-Safe Certified, complete HCLF’s Rehab Budget form, and oversee all rehab work.

- **Rates and Fees:**
  - Construction portion typically priced at 400 basis points over the five year Federal Home Loan Bank rate, but not less than 8.0%;
  - Application fee of $250 due with application, with partial refund if loan is not approved; commitment fee of 1 - 2% at closing.
  - Closing costs and appraisal fees are payable by the borrower and can be financed in the loan.

To Apply or for More Information:
Contact Naveed Sobhan, Director of Mortgage Lending, at (860) 296-7005; ext. 104 or Richard Staples, Construction/Rehab Lending Specialist, at (860) 296-7005; ext. 103