

# BUILDSMART

## HOME CONSTRUCTION LOAN PRODUCT

BuildSmart is designed to meet the needs and support the capacity of developers and contractors engaged in the construction, renovation, and rehabilitation of quality, accessible owner-occupied housing in Central Indiana.

With flexible terms, competitive rates, and an efficient application process, BuildSmart provides a responsible source of capital to scale the construction industry's ability to better meet the affordable housing need in our community as part of a comprehensive economic development strategy by Renew Indianapolis.

### KEY FEATURES

- 12-month maturity from the first disbursement, which can be made up to 90 days after closing, for a maximum note maturity of 15 months.
- Competitive rates starting at 5%, depending on underwriting
- Up to 75% Loan-to-Value ratio depending on underwriting, reducing the amount of equity needed up-front
- Interest-only payments available
- Flat fees
- Apply for funding of multiple properties in a single application

### SPECIAL PRICING INCENTIVES AVAILABLE FOR BORROWERS WHO ARE

- Creating homes with sale prices affordable to buyers at or below 80% Area Median Income (AMI) levels
- Women, minority, disabled, and/or veteran-owned businesses
- Purchasing or developing Renew Land Bank properties
- Working in neighborhoods with less than 50% owner-occupied housing or specifically identified by local government or other stakeholders as needing focused housing investment



# BUILDSMART PROGRAM DETAILS

## COLLATERAL

Mortgage on subject property; UCC filing on business assets; personal guarantee by all owners with a 20% or greater stake may be required.

## LOAN SIZING

Maximum loan size depends on availability of funds, number of properties being developed, and business underwriting results. All loans and terms are subject to final approval by Build Fund's Loan Committee.

## LOAN PRICING

Interest rates and pricing calculated on an individual basis during the underwriting process. Interest rates derived from a scoring matrix that adjusts base pricing up or down depending on risk, loan-to-value, borrower experience, and other criteria established by Build Fund Staff and Loan Committee deemed to further the mission of Renew Indianapolis.

## ELIGIBILITY

Construction companies, developers, and contractors engaged in the construction, renovation, and rehabilitation of quality, accessible end-use owner-occupied housing in Central Indiana. **Projects creating rental or "rent-to-own" properties are not eligible.**

No minimum credit score or hard credit pull required, but borrowers will be asked to provide a recent credit report sourced from a reputable reporting source, such as the free report that Discover offers, to be included in the underwriting process.

Borrowers will be required to provide evidence of capacity and experience in construction and/or rehabilitation, as well as necessary insurance and licensure.

## RESPONSIBLE DEVELOPMENT REQUIREMENT

Ideal projects will create homes to be sold for prices comparable to previous 12-month median sale price of homes in surrounding half-mile radius. Borrowers must agree to list completed home(s) funded through BuildSmart for sale on the open market at a price not to exceed \$299,999.

## DISBURSEMENT SCHEDULES

Disbursements generally provided on a work-completed reimbursement basis. Depending on underwriting results and Loan Committee approval, up to \$10,000 of total approved loan amount may be disbursed upon closing to Borrower to pay for eligible project startup and permit costs on homes to be sold for \$225,000 or less.