

# Mobile Home Park Purchase “Predevelopment Loan” Program (MHPPP)

<p><b>Program Overview</b></p>	<p>The Mobile Home Park Purchase “Predevelopment Loan” Program (MHPPP) is designed to assist qualified tenants’ associations, tenants’ associations supported non-profit organizations and Facility Purchase Associations with financing predevelopment costs associated with purchasing a manufactured dwelling park (mobile home park). These funds provide qualified organizations with an affordable alternative for financing the initial costs organizations incur prior to purchasing a park. For full Program details, visit the Loan Application webpage at: <a href="http://www.oregon.gov/ohcs/Pages/multifamily-housing-loan-mhpp-application.aspx">http://www.oregon.gov/ohcs/Pages/multifamily-housing-loan-mhpp-application.aspx</a></p>
<p><b>Eligibility Requirements</b></p>	<ul style="list-style-type: none"> <li>• Eligible borrowers include a Qualified Facility Purchase Association, a tenants association, or a tenants association supported non-profit organization.</li> <li>• Qualified borrowers must include more than 50 percent of the tenants residing in the park.</li> <li>• The application must demonstrate that the park purchase by the organization is economically and financially feasible.</li> <li>• Only “initial” or redevelopment costs are eligible to be used by loan funds. Such costs may include but are not limited to legal fees associated with initial start-up costs prior to purchase, appraisal fees, engineering fees, other professional fees associated with the physical or financial evaluation of the park, and other costs approved by the Department.</li> </ul>
<p><b>Program Requirements</b></p>	<ul style="list-style-type: none"> <li>• Loan funds are disbursed in an escrow company acceptable to the Department.</li> <li>• Loans are to be repaid with the first available funding source including but not limited to the first construction draw.</li> <li>• Early repayment is encouraged.</li> <li>• Loan requests must provide adequate verification of acceptable value and control of the security and lien position on the security.</li> <li>• Based on risk to the Department, loan guarantees may be required.</li> <li>• No ownership or borrower transfers are allowed during the term of the MHPP loan.</li> </ul> <p>The Department may provide guarantees for the partial repayment of loans made by lenders to finance the construction, development, acquisition, rehabilitation and/or for the partial repayment of leases made by sponsors or leasing companies to facilitate the equipping, development and operation of affordable housing. Low-income household is defined as a person(s) at or below 80 percent of the area median income as published annually by the U.S. Department of Housing and Urban Development (HUD). The program does not require that the entire development be dedicated to lower very low-income households, although the amount of the Guarantee will be based proportionally on the qualifying low- and very low-income units.</p>
<p><b>Loan Terms / Interest Rate</b></p>	<ul style="list-style-type: none"> <li>• The maximum loan amount is \$100,000 for a maximum of 3 years. The rate is fixed for the term of the loan and will be established by OHCS shortly before loan closing. Any loan amount unpaid after the Note maturity date shall be subject to a monthly late fee. Call a Loan Officer for current interest rates.</li> </ul>
<p><b>Loan Charges</b></p>	<ul style="list-style-type: none"> <li>• Borrowers pay a \$250 application charge at the time they submit the loan request. A 2 percent loan charge is due upon acceptance of a commitment letter and payable at the time of loan closing. The borrower is responsible for all loan closing expenses in escrow.</li> </ul> <p style="text-align: right;">Continued -</p>

<b>Charges</b>	<p>The nonrefundable application charge is \$500 and is due at time of application submission to the Department.</p> <p>Annual charge is one percent of the guaranteed amount.</p> <ul style="list-style-type: none"><li>• For construction loan guarantees the one percent is due at the time of construction loan closing. If construction loan closing does not occur within three months of the executed date of the Loan Guarantee Commitment, then an extension charge will be due.</li><li>• For permanent loan guarantees, the one percent annual charge is due at the time the Loan Guarantee Commitment is executed to hold the reservation of the guarantee amount until the permanent loan is funded.</li></ul> <p>The charge is due even if the borrower is in default, or is in arrears in payments. Once set, the charge will remain constant over the life of the loan.</p>
<b>For more information, please contact:</b>	<p><b>Don Herman, Program Representative</b> Phone: (503) 986-2082 E-mail: <a href="mailto:Don.Herman@oregon.gov">Don.Herman@oregon.gov</a></p>