

HOUSING MONTANA FUND (HMF)

PROGRAM HIGHLIGHTS

Type of Program

- The Montana Legislature established the HMF during the 1999 session. It is a revolving loan fund that is to be used for eligible activities.

Eligible Applicants

- Applicants can be state government, local governments, tribal governments, local housing authorities, nonprofit community or neighborhood based organizations, regional or statewide nonprofit housing assistance organizations, and for-profit housing developers.

Types of Projects

- Eligible activities defined in [ARM Rule 8.111.503](#) include matching funds, bridge financing, acquisition of existing housing stock, preconstruction technical assistance as described in [90-6-134\(4\)](#), MCA, acquisition of land for housing developments, land banking, and land trusts; and short-term, site-based housing vouchers for needy individuals. An HMF loan may not be made that will supplant existing or available funding for eligible activities.

Security

- Mortgage that may or may not be in first position.

Loan Term

- 30-year fixed rate maximum.

Loan Rate:

- 2% if targeting 30% or less AMI households.
- 3% if targeting from 31% to 50% AMI households.
- 4% if targeting from 51% to 80% AMI households.
- 6% if targeting from 81% to 95% AMI households; and
- Weighted average rate if targeting multiple ranges. Existing projects will use incomes of tenants at application.
 - Example:
 - 10-unit property, 5 units @ 30%, 2 units at 50%, 3 units @ 60%
 - $5 \times .02 = .10$
 - $2 \times .03 = .06$
 - $3 \times .04 = .12$
 - Total = .28 Final rate: $.28 / 10 = .028$ (2.8%)

Underwriting and Fee Limitations

- Underwriting assumptions and fee limitations will follow the most current Qualified Allocation Plan for Housing Credits.

MH Fees

- Total of 1% of mortgage loan amount due at application

Compliance Fees

- Will match current compliance fees for Housing Credits.

<https://housing.mt.gov/>

Contributions

- Contributions, gifts and grants may be deposited into the fund. If you would like to contribute, please send a clearly marked check to Montana Housing.
- Please discuss with your tax professional if this contribution would be an allowable tax deduction.