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 x .02 = .10
    - 2 x .03 = .06
    - 3 x .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. [https://housing.mt.gov/Multifamily-Development/Qualified-Allocation-Plan](https://housing.mt.gov/Multifamily-Development/Qualified-Allocation-Plan)

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

Compliance Fees
- Will match current compliance fees for Housing Credits. (only listed on fee schedule at this time) [https://housing.mt.gov/Portals/218/Shared/2020QAPFeeSchedule.pdf](https://housing.mt.gov/Portals/218/Shared/2020QAPFeeSchedule.pdf)

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.