

IMPACT LOAN FUND

ACQUISITION & CONSTRUCTION LOAN PROGRAM

Funds are available to purchase and rehab homes for graduates of the Jumpstart Kensington or other Jumpstart training program and small local developers for properties located within the North Kensington Target Area.



Eligible Projects and Borrowers

- Residential properties with 1-2 units (no commercial - rehab only).

Loan Amount

- 85% of the total acquisition and construction cost.
- Confirmation of budget acceptability by Lender's inspector.
- Borrower provides 15% cash equity contribution paid at settlement (or prior to loan funding).
- Funds are disbursed as work is completed (no cash advances).

Interest Rate

- Interest only at 9% fixed.

Loan Term

- 12-month construction, lease-up or sale term.
- A 3-month extension with additional fee.

Fees

- Origination Fee: 2%.
- Inspection Fee: \$1,000 (covers 4 inspections; additional inspections are \$250 each).
- Legal Fee: \$250 (if using form docs)
- Lenders Title Insurance and Recording Fees.

HOW TO APPLY

Visit <https://impactloanfund.org/jumpstart-kensington/>

For questions, or to schedule a pre-application discussion, contact:

Impact Loan Fund
p: 215.974.0900
e: loan@impactservices.org

Repayment

- Interest begins to accrue as funds are disbursed; Interest payable out of loan until construction is complete.
- Borrower has 12 months from settlement to finish construction and sell or refinance the property to payoff the Jumpstart Loan.
- Borrowers intending to hold the property as rental may access, ILF three-year mini-permanent loan.

Financing Guidelines

- 15-20% profit projection on resale (after expenses).
- 10-15% return on income for operating properties.
- Cashflow from estimated lease rates to cover debt service at 1.20x.

Collateral and Other Requirements

- First lien on the property.
- Lender's Title Insurance.
- Personal guarantee of Borrower and Spouse, if applicable.
- Credit Check required of all borrowers (no minimum score, but explanation of credit concerns may be required).



* Terms may change periodically. Visit the website for the most current information.