

IHDA PERMANENT LOAN

Financing the creation and preservation of affordable housing.

Description	Fixed-rate, first lien permanent/takeout mortgage financing for: stabilized new construction, acquisition/moderate rehabilitation, and refinance.
Project Types	4% LIHTC, 9% LIHTC, PSH, and other restricted affordable housing projects.
Loan Overview	
Loan Amount	\$1,000,000+
Loan Term	17 - 40 years
Amortization	30 - 40 years
Interest Rate	Indicative rates posted on IHDA's website and upon request
LTV	87% for affordable properties and 90% for subsidized properties
Debt Service Coverage (DCR)	1.15 for affordable properties and 1.11 for subsidized properties (in year 1 and stress tested in year 20)
Affordability Requirements	As limited by LIHTC program
Credit Enhancement	FHA Risk-Sharing 542(c)
Recourse	Non-recourse with standard industry carve outs and environmental indemnity
Rate Lock	No more than 5 business days prior to initial closing
Lockout	10-years from commencement of amortization, par prepayment thereafter
Forward Loan Commitment Length	Up to 36 months (if applicable)
Guaranty/Mortgage Credit Review	Mandatory for the borrower(s), the sponsor(s), the guarantor(s), and each underlying entity/owner
Reserves and Escrow	
Operating Reserve	Six (6) months of operating expenses (not including debt service)
Debt Service Reserve	Six (6) months of debt service
Replacement Reserve	IHDA QAP standards
Taxes and Insurance	60% of the most recent annual real estate tax bill and 110% of the most recent annual insurance premium capitalized at final close
Minimum Affordability	LIHTC Standards
Loan Fees	
Mortgage Insurance Premium (MIP)	Fourteen (14) Months of MIP at final close (approx. 0.29% of the Loan Amount)
Application Fee	Non-refundable \$2,500; \$1,500 if not-for-profit (no additional application fee for tax credit projects)
Origination Fee	Greater of 1.0% of the Loan Amount or \$35,000 (0.50% for bond funded loans)
Good Faith Deposit	Minimum \$10,000 (credited at initial close)
Legal Fee	\$25,000 (additional legal fees may apply depending on IHDA resources)
Quantitative Advisor Fee	\$37,500 (if applicable)
Prepayment Fee	\$5,000 (after lockout period has expired)
Other	
Wage Requirements	Illinois prevailing wage requirements apply.
3rd Party Studies	Sponsors are required to provide studies, reliance letters, and insurance certificates (when required) from vendors that follow IHDA's published standards. Studies include, but are not limited to: market study, environmental, appraisal, insurance, and PNA.
Bond Information	For bond funded loans, see IHDA's program bond guidelines.

Changes effective as of 4/30/2025.

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