

ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
**COOPERATIVE HOUSING SHARE LOAN PROGRAM**

Request for Applications (RFA)

---

Issued: March **17**, 2026

Due: April **17**, 2026 by 3:00 P.M. CST

## SECTION 1: INTRODUCTION

A Housing Cooperative (Co-op) is a home ownership and management model whereby a corporation is formed to purchase and own a building where each buyer purchases a share/shares of the corporation, granting them the right to occupy a specific unit in the building.

The financing process for a buyer to purchase in a Co-op is different than securing a mortgage to purchase a condominium or single-family home. In a Co-op, the buyer chooses the unit they desire to purchase and offers either cash or secures a share loan up to the value of the share certificate related to the specific dwelling. In exchange for the monies, the buyer receives a share certificate in the corporation which gives them the legal right to live in the specified unit of their choosing. Additionally, the buyer obtains a long-term proprietary lease, rather than a deed.

Individuals who complete the purchase of a co-op unit become members upon the Co-op board's approval. Members who secure a share loan make principal and interest payments directly to the share loan lender. Members also pay monthly fees for operating costs and maintenance and participate in the Co-op's democratic governance by setting policies and electing a board of directors. Co-ops offer an alternative to traditional homeownership, providing shared responsibility for the building and management, with benefits like lower costs and tax deductions. What makes a Co-op different than a condominium has to do with the legal distinction and not the physical attributes of the building.

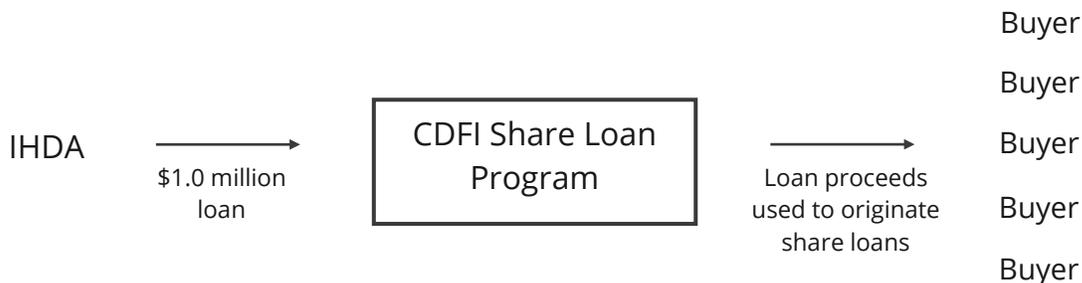
There are two types of housing cooperatives: Market-rate and limited-equity (LEC). In a market-rate housing cooperative, when a member wants to move out of the Co-op, they sell their shares at whatever price the market will bear, making equity accumulation very similar to condominium or single-family ownership. In an LEC, the corporation imposes resale restrictions that cap the price at which the shares can be sold. These are imposed because members of an LEC often benefit from below-market interest rate mortgage loans, grants, real estate tax abatement, or other features that make the housing more affordable to initial and future residents.

## SECTION 2: REQUEST FOR APPLICATION

The Illinois Housing Development Authority (Authority) has been researching the housing cooperative structure for the past two years. Co-ops offer a unique housing alternative and can be a great option for those seeking affordability and community. While the model is not overly complicated, it is widely misunderstood and the vast majority of lenders in Illinois have stayed away from offering a share loan lending program for low and moderate-income buyers of Co-ops, leaving qualified buyers without a financing option.

To meet this need, the Authority is seeking to partner with a Federally certified Community Development Financial Institution (CDFI) that currently offers a share loan product tailored to the needs of Co-op buyers and has at least 3 years' experience doing so. In support of the partnership,

the Authority will lend \$1.0 million (0% interest rate, 10-year term with the option to renew) \* to the CDFI. By further capitalizing the CDFI's share loan fund, the Authority will make it possible for the CDFI to offer financing to additional households seeking to purchase cooperative housing units.



The Authority's interest in offering a share loan product has increased through its study of the structure. The Authority views housing cooperatives as one more pathway to achieving affordable home ownership for the low to moderate income buyer. While the Authority could embark on creating its own share loan lending program, it believes a collaboration with an existing program will be the most efficient and effective execution of resources, while also avoiding cannibalizing the small market share attributable to share loans.

\* The Program Loan will be a 10-year loan with principal repayment due in a single lump sum at the end of the term.

### SECTION 3: ELIGIBLE APPLICANTS

CDFIs are lenders with a mission of expanding economic opportunity in under-resourced communities by providing access to financial products and services for local residents and businesses.

CDFIs are designed to be more approachable for low-income individuals than traditional banks because their core mission is financial inclusion for underserved populations. CDFIs use a more holistic underwriting approach, considering factors beyond credit scores and collateral, and often provide financial education and business coaching alongside affordable loans and other financial products to help build economic opportunity.

It is for these reasons that eligible applicants (Applicant or Applicants) are limited to only Federally certified CDFIs that currently offer a share loan product tailored to the needs of Co-op buyers.

Applicants must maintain an office in the State of Illinois and be authorized to do business in the State of Illinois to be considered an eligible applicant hereunder.

## SECTION 4: TARGET POPULATION

The Authority's contribution to the program will be limited to the capital contribution (Program Loan). The Authority is seeking to partner with a CDFI that can serve clients earning up to 120% of the Area Median Income (AMI). The client must live in the Co-op as their primary residence.

## SECTION 5: PROGRAM AWARD AND FUNDING

Program Loan	The Authority expects to allocate \$1.0 million. The amount of the award and the funding source remain subject to the final approval of the members of the Authority's board.
Program Loan Terms	The terms of the Program Loan will be 0% interest with a 10-year term and the option to renew. Principal repayment will be due, in full, at the end of the loan term (balloon payment).
Program Loan Renewal	Two, 10-year renewals may be available for a total loan period of 30 years.
Funding Distribution	The \$1 million Program Loan will be provided to the CDFI in one lump sum upon execution of the loan documents at Program Loan closing.
Program Loan Proceeds	The Program Loan proceeds must be used in their entirety to make share loans to qualified buyers of cooperative housing units. Share loans for rehabilitation of a member's unit are not permitted at this time. The Program Loan proceeds must be deposited in a segregated, interest-bearing account, with any interest earned used as additional lending capital.
Program Loan Security	The Authority will request that the CDFI provide a guaranty of payment in relation to industry standard recourse obligations and may require a UCC Financing Statement be filed as additional security for the Program Loan.
Administration	The Authority will not provide funding for administration costs.
Performance Measures	The Authority reserves the right to recall the outstanding Program Loan balance from the CDFI if the CDFI fails to disburse: <ul style="list-style-type: none"> <li>▪ 30 percent of the loan proceeds within the first 12 months.</li> <li>▪ 60 percent of the loan proceeds within the first 24 months; and</li> <li>▪ 100 percent of the loan proceeds within the first 36 months.</li> </ul>

# COOPERATIVE HOUSING SHARE LOAN PROGRAM

## Program Application

### APPLICATION INSTRUCTIONS

- A completed version of this document and any required attachments will constitute the application by the CDFI. Only cells highlighted in blue should be filled out. The application must be submitted electronically by email sent to [shareloanrfa@ihda.org](mailto:shareloanrfa@ihda.org). Hard copy materials will not be accepted.
- If you need assistance accessing the materials or have any questions about the application, email [shareloanrfa@ihda.org](mailto:shareloanrfa@ihda.org).
- Submissions should state "Share Loan Lending Application Submission" as the subject line. Applicants should receive confirmation of the email submission. Please plan ahead, extensions will not be granted.
- Applications must meet the mandatory requirements. Applications meeting the mandatory requirements will be scored.
- Scoring Criteria (up to 100 points):
  - CDFI Financial Strength and Capacity (up to 20 points)
  - Experience providing Share Loans (up to 20 points)
  - Need for Share Loans (up to 20 points)
  - Underwriting Guidelines and Processes (up to 20 points)
  - Outreach to Buyers and Coops (up to 20 points)
- Applicants will be notified of their award status via email. Awards will be subject to approval by the members of the Authority's board.

*Please note: The Authority, in its sole discretion, may, amend or waive compliance with any of its terms, or reject any or all proposals for funding.*

### APPLICANT INFORMATION

1. Organization's Legal Name
2. Division or Departmental Name, if applicable
3. Employer/Taxpayer Identification Number (EIN, TIN)
4. Business Street Address
5. City, State, Zip
6. Contact's First Name
7. Contact's Last Name

- 8. Title
- 9. Email
- 10. Phone number

## LENDING SERVICE AREA

Cities or Counties

## APPLICANT CERTIFICATION

By signing this application, the Applicant certifies that the statements contained in this application are true, complete and accurate to the best of their knowledge. The Applicant, on behalf of the CDFI, provides the required assurances and agrees to comply with any resulting terms if the CDFI accepts the award. Any false, fictitious, or fraudulent statements or claims may subject the signatory to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001).

Certification  I Agree

Signature

Printed - First and Last Name

Title

Date

## MANDATORY REQUIREMENTS OF APPLICANT

The Applicant represents and warrants that it has or will meet the mandatory program requirements below.

1. Our organization is not on the Federal Excluded Parties List.
2. Our organization is not on the Illinois Stop Payment list.
3. Our organization has had an independent financial audit conducted in the past 18 months.
4. Our organization is in Good Standing with the Illinois Secretary of State.
5. Our organization maintains a physical office within the State of Illinois.
6. Our organization is a Federally certified CDFI.
7. Applicant certifies that it will verify all households assisted with the loan proceeds will be at or below 120 percent of the area median income.
8. Applicant certifies that it will verify that the homebuyer will occupy the property as their primary residence.

9. Applicant certifies that it will verify, prior to purchase, that each client will receive housing counseling training with components specific to housing cooperatives.
10. Applicant certifies it will provide the Authority with a Uniform Commercial Code filing for the Program Loan.
11. Applicant certifies that it will not permit any discrimination on the basis of gender, race, religion, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional or learning disability.
12. Applicant certifies that it will verify bylaws, corporate documents, board resolutions authorizing borrowing, financial statements, balance sheet, regulatory filings, loan policies, litigation disclosures, insurance, etc. as requested by the Authority for loan closing.
13. Applicant certifies that its annual financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP).
14. Applicant certifies that its annual financial audit did not disclose findings considered to be significant deficiencies or material weaknesses.
15. If not, have all audit findings and recommendations been cleared?
16. If not, has a Corrective Action Plan (CAP) been implemented?
17. Applicant certifies that the Program Loan proceeds will be deposited in a segregated, interest-bearing account, with any interest earned used as additional lending capital.
18. Applicant certifies that the Program Loan proceeds will be used in their entirety to make share loans to qualified buyers of cooperative housing units. Share loans for rehabilitation of a member's unit are not permitted at this time.
19. Applicant acknowledges the following performance measures: The Authority reserves the right to accelerate the outstanding Program Loan balance from the CDFI if the CDFI fails to disburse:
  - i. 30 percent of the loan proceeds within the first 12 months;
  - ii. 60 percent of the loan proceeds within the first 24 months; and
  - iii. 100 percent of the loan proceeds within the first 36 months.
20. Applicant certifies that it will allow the Authority, following written notice, to inspect, examine, and copy the books and records of each for the purpose of determining compliance with [47 Ill. Adm. Code Part 340.208](#), and all contracts and agreements between the Authority and Applicant relating to the Program Loan.
21. Applicant certifies that it will allow the Authority, following written notice, to inspect any Co-op unit.
22. Applicant acknowledges it shall be the obligation of the Applicant to comply with the applicable requirements of [47 Ill. Adm. Code Part 340](#), including substantial compliance with the requirements set out below:
  - a) Approve or reject each application for a construction, acquisition, improvement or rehabilitation loan, as provided in 47 Ill. Adm. Code Part 340.205;
  - b) Determine the amount of money to be loaned to each loan recipient. The Applicant shall base the amount of the loan on a review of the following costs, which shall be submitted on a loan application, and compared to the costs of similar construction, acquisition, improvement or rehabilitation developments in the area.

The cost items are: design architect's fees; supervisory architect's fees; legal, accounting and other organizational fees; survey and appraisal fees; marketing costs; consulting and purchasing agent fees; construction interest, insurance costs; real estate and other taxes; title and recording fees; construction costs; financial contingency and construction contingency costs; relocation costs; off-site improvements; land costs; carrying charges; and other costs directly related to the construction of the development;

c) Act upon a loan application in writing by either issuing or declining to issue a loan commitment within 120 days of receipt of all loan data; provided, however, this period may be extended for a definite period of time upon the mutual written consent of the parties;

d) Make all disbursements no later than 3 years after the issuance of a loan commitment to a loan recipient, provided the loan recipient has complied with all requirements set forth in the loan commitment.

e) Charge an interest rate not exceeding the yield paid on 30-year Government National Mortgage Association (GNMA) mortgage certificates as of the date of the adoption of the resolution by the Authority for funding of that particular loan to the Applicant; and

f) Require each loan recipient to execute and deliver a note and such documents as shall be necessary to secure and evidence the transaction, including, but not limited to, a mortgage, assignment of mortgage, security agreement, financing statement, collateral assignment of beneficial interest in a land trust, or by delivery of an irrevocable commercial letter of credit, or other instrument acceptable to the Authority securing payment of the note executed by the loan recipient, in an aggregate amount not less than 100% of the outstanding principal balance of the loan, which shall be retained until the loan is paid off.

23. Applicant certifies that it will comply with monitoring and evaluation of the share loan through the full term of the Program Loan or as specified in the loan documents.
24. Applicant agrees and acknowledges that it is its responsibility to determine which laws and regulations apply.
25. Applicant certifies that neither the Applicant nor its affiliates or related entities are delinquent in the payment of any debt to the State of Illinois.
26. Applicant certifies all insurance and licenses for their organization are current and can be provided, if requested.
27. Applicant certifies that it will provide semi-annual reports to the Authority for the first 48 months of the program on the share loan portfolio including loans issued to date, loan performance; delinquency and pipeline; and will provide annual reporting for years five through 10 of the Program Loan term on forms acceptable to the Authority.
28. Applicant certifies that it will assist the Authority with gathering data regarding buyers of a Co-op unit during the term of the Program Loan.
29. Applicant certifies that it will maintain records in connection with administration of the Program Loan for five years after the date of termination of the Program Loan.
30. Applicant certifies that all statements herein are true, accurate, and complete.

31. Applicant will verify that the Co-op is:

- i. Legally organized under the Illinois General Not for Profit Corporation Act as a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code;
- ii. Current on its mortgage payment or does not have a mortgage payment
- iii. Not delinquent on property taxes nor have taxes been sold to a tax buyer;
- iv. The Co-op maintains adequate property insurance.
- v. The Co-op maintains adequate Master insurance (Hazard, General Liability, Fidelity Bond, Flood);
- vi. The past two years of financial statements have not disclosed findings considered to be significant deficiencies or material weaknesses; and
- vii. In good standing regarding its:
  1. current operating budget;
  2. any existing proprietary leases; and
  3. offering plan.

## APPLICANT SCORING CRITERIA (100 POINTS)

**INSTRUCTIONS:** Please provide any requested information or narrative into the appropriate field and attach any requested documents. Applicants may include additional supplemental documents if necessary for a complete response. Please label attachments with the number of the scoring area and the name of the document.

### **1. Financial Strength and Capacity (Up to 20 points)**

Please provide an overview of the financial strength and capacity of the applicant CDFI. Responses must demonstrate that the applicant has been a Federally certified CDFI for at least three years. Applicants should enter a narrative response into the field below that provides an overview demonstrating that the CDFI has the capital adequacy, portfolio quality and sustained fiscal strength to properly undertake the activities contemplated within this RFA. Responses must also demonstrate that the applicant has sufficient written procedures to ensure accurate tracking of loan performance, deliverables and performance measures. Applicants must submit a digital copy of their most recent audited financial statements including any identified findings, recommendations, or corrective action plans. Additional documents to support the response may be submitted.

**2. Experience in Origination of Cooperative Share Loans (up to 20 points)**

Please give a narrative description of your organization’s experience providing cooperative housing share loans in the field below.

How many share loans did your organization originate in Illinois in 2024?

How many share loans did your organization originate in Illinois in 2025?

Total Volume of Share Loans Originated in Illinois in 2024-2025

**3. Need for Cooperative Housing Share Loans (up to 20 points)**

Please describe the need you see for a share loan lending program along with evidence supporting that need. Responses should include how these funds will be used to serve the identified need.

**4. Underwriting Guidelines and Processes (up to 20 points)**

Please provide a narrative description of your organization’s underwriting guidelines and processes OR attach a document with your organization’s underwriting guidelines. This response should clearly demonstrate that your organization has sufficient written procedures to accurately evaluate participant eligibility for the Cooperative Housing Share Loan Program, that individuals that underwrite, review and approve each share loan possess the financial and/or programmatic knowledge, skills and abilities required for the role. Responses should also include how the applicant will verify the required information in “Mandatory Requirements of Applicant” Item 31 of this RFA.

Please describe your Share Loan lending terms OR attach your organization's Share Loan Term Sheet with your application submission.

**5. Outreach (up to 20 points)**

Please provide a narrative description of your organization's outreach activities undertaken in support of your share loan program. Please include descriptions of outreach and identification of prospective buyers as well as available coop developments. Responses must clearly differentiate between outreach efforts that exist and those that will need to be developed. Information on any existing waiting lists should be included but prospective borrower level information should not be included within this response.

**Please provide any additional information you would like the Authority to know.**