

Oregon Rural Rehabilitation Loan

Program Factsheet

Program Summary

The Oregon Rural Rehabilitation (ORR) Loan Program is designed to defray costs associated with building, maintaining, and rehabilitating farmworker housing. The program's starting capital came from a transfer of funds from the Oregon Department of State Lands. (The original funds were provided through the Secretary of Agriculture and designed to carry out the Bankhead-Jones Farm Tenant Act for the purpose of developing and/or preserving farmworker housing in accordance with the charter of the Oregon Rural Rehabilitation Corporation.)

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Eligibility Requirements and Program Requirements

- Loan funds are disbursed through an escrow company acceptable to OHCS.
- Early repayment is encouraged.
- Loan requests must provide adequate verification of acceptable value and control of the security and lien position on the security.
- Based on risk to OHCS, loan guarantees may be required.
- No ownership or borrower transfers are allowed during the term of the ORR loan without receiving prior written approval from the OHCS.
- ORR Loan funds are available to qualified organizations that are experienced developers of affordable farm worker housing. ORR funds are exclusively for farm worker housing and are required to be used as leverage with other funding sources.
- Developments can be either new construction or acquisition/rehabilitation rental housing. Under certain conditions, homeownership options may be eligible.
- OHCS may be in a first or junior lien position as long as there is 100% or greater security for the loan.

Loan Terms and Interest Rate

The maximum loan request may not exceed \$100,000 or 35% of the total project costs (whichever is less). The maximum term is 10 years. Repayment terms may vary depending on the financial feasibility of the project. Interest may accrue during construction but is due and payable upon conversion to permanent financing with the principal being re-amortized over the remaining term of



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| <p>Charges</p> | <p>the loan. Monthly principal and interest payments shall be made after conversion to permanent financing. The fixed interest rate for the term of the loan is no more than 3%.</p> <p>Borrowers pay a \$250 application charge at the time they submit the loan request. A loan charge is due upon acceptance of a commitment letter and payable at the time of loan closing. Borrower is responsible for all loan closing expenses in escrow.</p> |
| <p>Fund Availability</p> | <p>Loans are funded from a revolving loan account. Availability of funds is dependent upon the number and size of outstanding loans at the time of loan application.</p> <p>Due to the limited funds, loan requests are taken on a first-come, first-reviewed and found to be qualified and ready-to-proceed basis.</p> |
| <p>Learn More</p> | <p>Visit the webpage for full program details at: https://www.oregon.gov/ohcs/Pages/multifamily-housing-loan-oregon-rural-rehabilitation.aspx</p> |