

# McKenzie County JDA-RLF Home Builder Construction Loan Program

## Program Goal

The goal of the McKenzie County Job Development Authority (JDA) Revolving Loan Fund (RLF) is to **support community development and sustainability through the creation of single-family dwelling units to promote relocation and retention of workforce in McKenzie County** by approving and participating in projects that are capable of repaying their loan and that generate earnings through sound investment.

## Eligible Projects & Costs

- The construction costs of 2-6 dwelling units (single-family, twin homes, and/or row homes) in McKenzie County by a commercial home builder
- All costs related to the acquisition and development of single-family residential lots

## Ineligible Projects

### Includes, but is not limited to:

- Business activity that does not meet the goals and objectives of the JDA-RLF
- Projects determined not to be in the best interest of McKenzie County
- Acquisition and assembly of land for industrial or commercial use
- Start-up and expansion of industry
- Rehabilitation and renovation projects
- Off-site development to assist industries and commercial businesses
- Retirement of existing debt
- Microenterprise loans/grants to pool or for technical assistance

## Terms & Conditions

The JDA-RLF shall exercise flexibility to negotiate terms with participating financial institutions.

### Minimum Guidelines:

- All rates, fees, and terms will be used upon the goals and objective of the fund, on specific program(s), and with consultation of the fund's fiscal agent
- Liens will be perfected by participating financial institution
- Rate will be one percent (1%) on the JDA portion of the loan
- Maximum terms will be the lesser of 55% of the cost of construction or \$250,000 for an individual dwelling unit and will be determined on a project-by-project basis.

### Borrower Fees:

- \$250 closing fee at acquisition
- \$100 administrative fee on each draw
- \$250 closing fee upon sale of home
- All hard costs including but not limited to:
  - Credit Report Fee
  - Mortgage Filing Fee
  - Mortgage Satisfaction Fee

## Application Documents/procedure

Participating lender will present project to JDA's program administrator Lewis & Clark Regional Development Council with a credit approval letter from participating lender and a description of request that includes:

- Lot locations, project plans and applicable permit applications
- Unit numbers and costs
- Equity, capital, historical business financials
- Five-year business history
- Personal guarantee financials
- Start date and start-to-finish timeline
- Expected listing price and marketing plan

**Learn More:** For more information about this program please visit [econdev.mckenziecounty.net/grants-incentives/hbclpp](http://econdev.mckenziecounty.net/grants-incentives/hbclpp) or contact Daniel Stenberg at [dstenberg@co.mckenzie.nd.us](mailto:dstenberg@co.mckenzie.nd.us) or 701-444-8856.