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## ***BUILD Loan Program***

The purpose of the BUILD Loan Program is to promote the production, preservation, and rehabilitation of housing for households of low and very low income by making low interest short term loans available to eligible nonprofit organizations. The loans may be secured or unsecured depending on the proposed activity.

To be eligible for participation in the BUILD Loan Program, the non-profit organization must:

1. Be organized under Tennessee law, as evidenced by Certificate of Existence from the Tennessee Secretary of State
2. Have an IRS designation under Section 501(c)(3) of the federal tax code.
3. Be dedicated to the purpose of creating affordable housing for low and very low income households.

### **Eligible Activities:**

BUILD Loan Program funds must be used for program expenses incurred to create affordable housing opportunities for low and very low income households. Eligible activities may include:

1. Development of single and multi-family units for homeownership or rental
2. Construction costs
3. Land Acquisition
4. Site Preparation
5. Pre-Development

### **Ineligible Activities:**

BUILD Loan Program funds may not be invested, loaned, or used to refinance or retire current debt.

### **Loan Options:**

1. 6-Month Loan
  - a. Up to \$50,000 at 2 % interest for 6 months
  - b. Interest payments and progress reports due at 3-month intervals
  - c. Payment of total outstanding balance due at end of term
  - d. Other loan applications must be at least 3 months from receipt of 6-month loan
  - e. An organization may not have more that \$500,000 in outstanding BUILD loans at any one time
  - f. Multiple disbursements of funds may be made at THDA's discretion

2. 12-Month Loan
  - a. Up to \$100,000 at 3 % interest for 12 months
  - b. Interest payments and progress reports due at 6-month intervals
  - c. Payment of total outstanding balance due at end of term
  - d. Other loan applications must be at least 4 months from receipt of 12-month loan
  - e. An organization may not have more than \$500,000 in outstanding BUILD loans at any one time
  - f. Multiple disbursements of funds may be made at THDA's discretion
  
3. 18-Month Loan
  - a. Up to \$300,000 at 4% interest for 18 months
  - b. Interest payments and progress reports due at 6-month intervals
  - c. Payment of total outstanding balance due at end of term
  - d. Other loan applications must be at least 6 months from receipt of 18-month loan
  - e. An organization may not have more than \$500,000 in outstanding BUILD loans at any one time
  - f. Multiple disbursements of funds may be made at THDA's discretion

**Application Evaluation:**

Applications will be evaluated based on organizational status and mission, financial management and strength, organizational development capacity, project or activity eligibility and viability, and if applicable, compliance with federal, state, and/or local regulations regarding the production of affordable housing.

**Contact Information:**

Complete program description and application – [www.thda.org](http://www.thda.org)  
From index click Community Programs, then BUILD tab.

**Questions and/or comments may be directed to:**

Julie Deacon  
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[jdeacon@thda.org](mailto:jdeacon@thda.org)