**Frequently Asked Questions**



**Q. Can the Residential Infrastructure Fund pay for professional services related to the housing project?**

A. The State statute prohibits the use of the Fund to pay for fees for studies, reports, designs, or analyses prepared by consultants or engineers for an eligible project.

**Q. Once a Residential Infrastructure Fund loan is approved and closed, how soon is the 1st payment due?**

A. The first Interest payment would be due the following January 1 or July 1 after loan closing and every 6 months after that date and the first principal payment would be due on January 1, two years after loan closing and every 12 months thereafter.  Creating annual principal payments every January 1 and interest payments every 6 months.

**Q. Is the loan repayment schedule the same for every applicant who receives funding?**

A. Yes, generally, unless there are circumstances that require the standard repayment timeline to be altered.

**Q. Can a political subdivision apply for a loan greater than the cost of the project to begin making payments on the loan?**

A. This would be considered “capitalizing” interest and that is a decision we will need to evaluate.  The more of these limited funds awarded for capitalized interest (cap i), the less available for construction and the slower the fund will revolve.  We may allow it to be requested by a community, however the project would not rank as well as a project that does not need cap i.

**Q. How long will it take to access RIF funds if selected?**

1. IFA will make awards in June and then it will be dependent upon how quickly the community can go through the financing steps to close the loan.

**Q. What are possible repayment sources for the loan?**

A. In order of security:

1. General Obligation Pledge (Property Tax)
2. Local option income related taxes
3. Utility Revenues
4. An existing TIF revenue stream with 3 to 5+ years of history
5. Startup TIF
6. Housing TIF
7. Developer funds pledge supplemented by a Letter of Credit from an institution with a credit rating of “AA” or better.