

Bridge Loan Advances for Housing and Community Development

Traditional bridge loan financing can be expensive for community projects as they can be priced upwards to 6 percent.

Now, members can use low cost CDA Extra for housing and community development bridge loan financing in the following ways:

- Construction financing.
- Financing to bridge the pay-in of the equity investment during the construction period. This may include Low Income Housing Tax Credits as well as other tax credits or equity investments such as state or federal historic tax credits.
- Financing to bridge the pay-in of other state or federal grant funding.
- Financing to bridge the pay-in of permanent financing.

Why use CDA Extra for Bridge Financing?

- Provides a lower cost of funds to important community projects, while maintaining a profitable spread to your institution.
- Assists non-profits in attracting needed investors.
- Can assist cities, towns and non-profits by providing low cost financing as a bridge to grant and government-timed payments.

How does your institution benefit?

- Generates additional business, loan volume, new and future customers.
- Enhances community relations.
- Fulfills Community Reinvestment Act (CRA) lending and/or investment tests.¹

How does this fit with Community Development Advances?

Members can apply for CDA Extra funds to support a community or housing project provided the initiative meets the income-eligibility requirements prescribed under 12 CFR 952.5 of the Community Investment Cash Advance regulations.

To find out more about the bridge loan financing available through CDA Extra, please visit www.fhlbboston.com.

¹This does not constitute CRA advice. Please consult the appropriate advisor.