



Farmworker Housing Replacement Loan Program Product Description

This product description is meant to serve as a guide for Champlain Housing Trust's Farmworker Housing Replacement Loan Program. If you have questions, feel free to contact us at tphillips@getahome.org.

Loan Structure:

Funding Sources:	Vermont Housing Conservation Board (VHCB)
Purpose:	Replace existing, on-site farmworker housing with a new energy efficient home.
Collateral:	Subordinate Mortgage (2 nd , 3 rd , 4 th)
Maximum Loan Amount:	\$120,000
Term:	\$30,000 Forgivable over 10 years: 10% per year is forgiven as long as the housing continues to be used for farmworkers and properly maintained. Remaining loan amount is deferred until sale or refinance of senior debt; provided, that the loan may be assumed by a subsequent owner if the housing will be maintained as farmworker housing. In the event the housing ceases to be used as farmworker housing, loan monthly payments shall be required based on a 5-year term.
Interest Rate:	0% Fixed; unless the housing ceases to be used as farmworker housing, in which case 3%
Origination Fees:	\$0.00
3rd Party Fees:	Recording fees Certificates of Good Standing (if applicable) Property Report or Title Opinion Lender's Title Insurance Policy

Borrower Eligibility:

Agricultural Activity:	Applicants must be actively engaged in farming, having at least \$75,000 in annual gross revenue from farming activity, as defined by Section 2.16 of the Required Agricultural Practices from the Vermont Agency of Agriculture (excluding sections (f) and (g)): https://agriculture.vermont.gov/water-quality/regulations/farm-definitions-and-determinations#farm
Maximum Household Income:	Under USDA's income threshold for Federal Programs (currently \$900,000 average adjusted gross income): https://www.fsa.usda.gov/programs-and-services/payment-eligibility/adjusted-gross-income/index
Purchase Funding:	Borrower must provide evidence of sufficient funds to complete the project. Funding sources may be loans, grants, and/or personal financing.
Documentation to Close:	Budget for the project showing all sources and expenses Commitments for all financing/sources of funds Farm business plan (for applicants who do not have financing for the project from a lending institution other than CHT) All permits (State and Local) Drawings and design plans Construction contract Purchase and Sales Agreement from your selected home manufacturer (if applicable) Procurement worksheet (provided by CHT with application)- all contractors must carry adequate liability insurance Conservation easement holder(s)' approval (if applicable) Project approval from VHCB (CHT to obtain)



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Property Eligibility:

Property Requirements:	Farms are eligible to receive this loan product in the following situations: (i) existing pre-1976 mobile home or home is otherwise past its useful life; (ii) housing units located in barns or other agricultural (non-residential) structures; (iii) existing over-crowded housing; or (iv) existing housing cannot be brought into compliance with the rental housing code regardless of cost as determined by CHT staff.
Property Type:	Replacement home must be a Zero-Energy Modular or other highly efficient home.
Location:	On farm owned property
Title and/or UCC Search:	If there is a first mortgage lender, a copy of any property report, title opinion, and/or title policy obtained by the lender will be used to document clear and marketable title. If not, a separate report and title policy will be ordered and the cost will be included in the loan balance, earned upon execution of the loan commitment.
Residency:	Unit must be used as farmworker housing for at least 10 years. Borrower will need to complete an annual certification verifying the unit is being used as farmworker housing. CHT will also complete two site visits with 5 years of completion to notify the borrower of any necessary maintenance.