



## **SBA DISASTER LOAN DOCUMENTATION REQUIREMENTS Non-Profit Organizations, Churches and Associations**

- 1. Articles of Incorporation\***
- 2. By-Laws**
- 3. Charter, if applicable**
- 4. Board of Directors Resolution giving approval to apply to the SBA for disaster loan. (This requirement may be provided subsequent to the offer of a loan).**
- 5. Complete copies of the organization's most recent non-profit tax returns OR a copy of the organization's IRS tax-exempt certification and complete copies of the organization's three most recent years operating results.**
- 6. A current Balance Sheet and Operating Statement dated within 90 days of the application.**
- 7. Name and address of all officers, trustees, and directors**
- 8. Organization affiliation, if any.**
- 9. Name, address, and phone numbers of all insurance companies providing coverage at the date of the disaster along with all policy numbers, copies of policy coverage pages and recovery settlements to date, if any**
- 10. Specifics of all disaster related grants and/or funds received from FEMA**

\*If incorporated

### **Additional Information needed for Churches**

- 1. Complete copies of organization's most recent non-profit tax returns (or a copy of the exempt filing form showing 501(c)(3) status) and complete copies of the organization's three most recent year's income statements.**

### **Additional Information for Condo and Other Owner Associations**

- 1. Complete copy of any Declaration of Condominium, Association, or Easement**
- 2. Complete copy of association Conditions, Covenants, and Restrictions (CC&R's)**
- 3. Master deed for common areas containing area legal description unless legal description is included within above documents**
- 4. List of names and addresses for all unit owners**
- 5. Complete copy of the master insurance policies in effect as of the date of the disaster along with copies of recovery settlement information received to date.**
- 6. Documentation of any special assessments approved by the organization related to disaster repairs.**

Documentation should be sent to: **SBA, 14925 Kingsport Rd., Fort Worth, TX 76155**



# Community Association Banking Loans



## Understanding financing options available to community associations

Finance your next community association project with CIT. Our experienced team listens to your community association and works with you to customize financing and loans to meet the needs of your project. There are multiple financing options available for your community association. These are just some examples of projects and improvements your community may be interested in financing:

### Repairs

- Major components
- Fences
- Asphalt
- Roofs
- Decks
- And more
- Siding
- Paint

### Improvements

- Association facilities
- Clubhouse
- Fences
- Pools
- Playgrounds
- And more
- Fences
- Gates

### Loan Types

Because we understand the needs of community associations, we offer flexible loan products to meet the needs of each community. Our loans typically cover the entire cost of the project.

- Multiple Advance Term Loans
- Quick-Term Loan
- Community Association Revolving Line of Credit (CARLOC)

### Loan Structure

- Length of the loan is negotiable and can depend on the nature of the project
- Terms available are 3, 5, 7, 10 and 15 years

- Draw periods are available up to 24 months
- Multiple Advance Term Loan: Locks interest rate five days prior to closing. The rate does not fluctuate during the draw period and in some cases remains fixed for the duration of the loan
- Fully amortizing – no balloon payments
- Available for refinancing of existing loans

### Loan Rates

We want the loan process to be clear; understanding how loan rates are determined can help the process be more transparent. Our representatives will work with you to negotiate rates based on the type of loan you need. The following factor into loan rates:

- U.S. Treasury Rates – interest rates are set based on a spread above corresponding U.S. Treasury Rates
- WSJ Prime Rate – interest rates fluctuate for revolving lines of credit with the prime rate as an index, based on the market
- Interest rates are typically set five days prior to loan closing for Multiple Advance Term Loans

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Learn more at [cit.com/CAB](https://cit.com/CAB)

### Let's get going

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## Side-by-side comparison

	Quick Term Loan	Traditional Term Loan	Revolving Line of Credit
Rate	Competitive Low Fixed Rates	Fixed Rate Quoted	WSJ Prime +1% (5% floor)
Average Approval Time*	3 business days	10 business days	3 business days
Term	5, 7, 10 years	5–15 years	Demand Note
Minimum Loan Amount	None	\$100,000	\$25,000
Maximum Loan Amount	\$3,000,000	No Maximum	\$250,000
Minimum # of Units	25	25	25
Prepayment Penalty**	1%	1%	0%
Origination Fee	None	Negotiable	1% Origination Fee; \$250 Annual Renewal Fee
Documentation Fee/Legal Fees	\$500	From \$500 to \$5000***	\$0

## Financing qualifications

The community association qualifies for the loan and is responsible for repayment. We understand board members serving their community association should not be responsible for association financing, expected to provide personal assets or provide personal credit information. Units can be purchased or sold.

## Basic loan requirements

Loan requirements vary based on the loan type. The following are some potential requirements for association financing.

- Less than 8% – 10% of units in the association should be more than 60 days past due on their assessments
- Minimum of 25 units within the association
- Less than 40% of the community should be investment property or absentee owner property – not used personally by the owner
- Less than 10% of units or budgeted revenue controlled by one unit owner

## Collateral

- The bank does not require personal guarantees, property liens or tangible property for collateral
- Cash flow or assignment of assessments – CIT is the first position on the association's right to collect assessment
- Cash balances may be requested

## Assessments

The association's assessment income may need to be increased by some amount in order to support the loan payment. Since there are no penalties to accelerate principal pay down, the

association can make partial prepayment during the loan term. This makes it possible to reset the monthly loan payment on an annual basis or more frequently if requested by the association (there is a fee for the additional resets), thus lowering the assessment level required. Assessments cannot be reduced without approval by CIT.

## Approval process

- A community association loan can be approved quickly once the complete loan application is submitted
- Loans are typically underwritten and a decision issued within 10 business days
- Upon approval, the next step is dependent on the association's governing documents and state laws. A vote or amended declaration may be required. Working with your association's attorney at the start of loan process can save time
- If required, attorneys finalize the process
- Upon closure of the multiple advanced traditional term loan, the association is provided with the procedures to obtain the advances

Effective 7/24/2020. Rates and Fees subject to change.

\*Assumes loan package is complete and no additional information is needed

\*\* No prepayment penalty if prepayment is made by the borrower. Specific conditions must be met. Prepayment penalty applies if Borrower is refinancing with another financial institution.

\*\*\* Fee depends on loan size

Terms and conditions apply and are subject to change. Prepayment penalty may apply. Subject to credit approval. Speak with your regional account executive for full details.