

Linked Deposit

HOMES LINKED DEPOSIT

HOMES Linked Deposit remaining funds as of October 31, 2023: \$8,410,131.75

The Linked Deposit Program will help housing developers and Approved Lenders lower interest rates during the construction period.

- BOI and Approved Lender will negotiate a fully collateralized deposit per 17-6-102, MCA. Deposit amount will rely on credit quality of the project.
- Negotiated rate in effect until lent to housing development.
- Housing developer pays Federal Home Loan Bank fixed regular two-year rate for the construction loan.
 - Approved Lender earns first 350 bps (3.5%).
 - BOI earns remainder.
- Maximum 24-month term.
- Program Requirements:
 - Minimum gross density of 10 units for each acre.
 - Proceeds must be used for construction loan.

NON-HOMES LINKED DEPOSIT

Non-HOMES Linked Deposit remaining funds as of October 27, 2023: \$15,000,000.00

- Source is awaiting final approval.
- No minimum acreage requirement.
- Amount will depend on the credit quality of the project.
- Fully collateralized deposit per 17-6-102, MCA. Deposit agreement between BOI and the approved lender.
- Negotiated deposit rate until lent to housing development.
 - Then FHLB fixed regular two-year rate to Borrower for construction loan.
 - Approved lender earns 350 bps (3.5%), BOI earns the remainder.
 - Proceeds must be used for construction loan.
 - The rate reduces once the construction loan is funded.
 - Maximum 24-month term.

<https://investmentmt.com/Housing-Programs/Linked-Deposit>