USDA RD 538 Loan

Long-term, fixed-rate Financing for Rural Multifamily Properties

Churchill Stateside Group

Providing Experience & Integrity Since 2005

Churchill Stateside Group (CSG) and its wholly owned affiliates serve the multifamily and affordable housing, senior housing and healthcare, and renewable energy industries. CSG sponsors tax credit equity investment funds for institutional investors and provides a variety of construction and permanent financing solutions to developers.

The company's investor and developer clients benefit from an experienced staff, prominent and proactive senior leadership, and attractive debt and equity platforms. CSG has long-standing and successful investment relationships with numerous corporate investors, pension funds, and insurance companies. The company is an approved USDA Rural Development and HUD MAP and LEAN Lender. CSG pursues high quality lending and investment opportunities across the nation.

TERMS

Eligible Properties
New construction or rehabilitation of existing multifamily properties containing five or more units.

Qualified Borrower
For-profit or non-profit single asset, single purpose entity.

Loan Amount
$250,000 minimum; no maximum.

Term/Amortization
Maximum of 40 years; minimum of 25 years.

Low Fixed Interest Rate
Fixed for term of the loan; rate locked prior to closing.
A rate lock deposit equal to 0.50% of loan amount required; refunded 30-45 days after closing.

Financing Structure
USDA currently offers three loan guarantees:
Option 1 - Permanent Loan Guarantee
Option 2 - Construction Advance + Permanent Loan Guarantees
Option 3 - Continuous Construction/Perm Loan Guarantee

Non Recourse Guarantee
Non Recourse loan; except for standard carve-out.

Prepayment
10-year total prepayment period with a 0-2 year initial lock-out followed by declining penalty thereafter; 0% prepayment after 10 years. No prepayment during construction period.

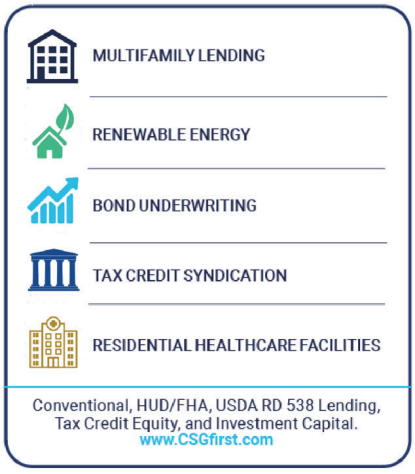
Commercial Space
Limited to 10% of gross floor area and/or 10% of total project income.

Sizing Constraints
Debt Service Minimum = 1.15 on all mandatory pay debt
**1.11 per 2026 USDA Pilot guidelines*
Max Loan To Value = 90% (97% for non-profits)
Max Loan to Cost = 80%

USDA Guarantee Fee
Initial – as low as 0.60% of Guaranteed Portion of loan (RD Guarantees 90%).
Ongoing – as low as 0.25% of Unpaid Principal Balance.

Operating & Maintenance Reserve
Minimum of 2% of the loan amount funded at permanent loan closing; released as surplus cash distribution after first year of stabilized operations

Contingency Reserve
Minimum of 2% of the construction contract; released upon achievement of 90% occupancy for 90 days; funded at loan options 2 and 3 only



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