



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven  
Governor

Wayne Stenehjem  
Attorney General

Roger Johnson  
Agriculture Commissioner

News Release

December 20, 2007

For Immediate Release

## LOAN GUARANTEES AVAILABLE FOR RURAL HOUSING DEVELOPMENT

BISMARCK – The Industrial Commission of North Dakota has approved a pilot program of the North Dakota Housing Finance Agency (NDHFA) to provide loan guarantees to lenders who finance affordable single family housing construction in rural communities.

“By offering these guarantees, NDHFA is making an investment in our rural areas,” said Gov. John Hoeven. “We need to help with housing as part of our effort to attract more workers for the new jobs we’re creating.”

“Rural communities often have difficulty attracting developers and lenders may be reluctant to assume the risk of providing construction lending, particularly if it is speculative,” said Attorney General Wayne Stenehjem. “This program mitigates the risk for both parties.”

“NDHFA is offering our small towns a tool to spur construction, enabling them to provide the type of homes desired today,” said Agriculture Commissioner Roger Johnson. “Without appropriate housing, it is nearly impossible for communities to grow their workforce or retain their population, and remain viable.”

Loan guarantees are limited to cover the lesser of 50 percent of the potential net loss or \$68,000 per home. This allows for a guarantee of up to 50 percent on total construction costs (including land) on loans of \$160,000 or less.

Active guarantees are limited to three per contractor and five per community at any given time. The lender or contractor must demonstrate that a need exists for additional affordable housing in the community and the local governing body supports the development.

Use of the construction loan guarantee program is limited to the financing of single family homes in rural communities with a population of less than 5,000. NDHFA staff is investigating the need for creating a similar guarantee program for multifamily housing.

The 2007 Legislature authorized NDHFA to assist communities in addressing unmet needs including financial assistance for land development and loan guarantees.

“The tools NDHFA is offering enable communities to determine specific housing needs, and develop or rehab essential housing units,” said Mike Anderson, NDHFA executive director. “We are excited to be taking on this new role and are enjoying working with community leaders statewide.”

“The North Dakota Housing Finance Agency offers multiple resources to conduct housing market surveys,

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offers development and rehabilitation funding, and can also provide technical assistance,” said Jolene Kline, director of NDHFA’s planning and housing development division. “We advocate an approach that looks at the housing demands of all members of the community and create a strategy from there.”

For more information about the housing resources available to rural communities, contact Jolene Kline at (701) 328-8080, (800) 292-8621, (800) 366-6888 (TTY) or [info@ndhfa.org](mailto:info@ndhfa.org).

The Industrial Commission of North Dakota, consisting of Governor John Hoeven, as chairman, Attorney General Wayne Stenehjem and Agriculture Commissioner Roger Johnson, oversees NDHFA.

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