



INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven
Governor

Wayne Stenehjem
Attorney General

Roger Johnson
Agriculture Commissioner

News Release

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For Immediate Release

AGENCY TO OFFER HOUSING DEVELOPMENT LOANS TO RURAL COMMUNITIES

BISMARCK – The Industrial Commission approved a new loan program today to help address the housing shortage that many rural North Dakota communities are experiencing. The North Dakota Housing Finance Agency (NDHFA) will administer the pilot loan program.

“Our aggressive economic development efforts have created jobs in rural areas, and that has resulted in a greater demand for housing,” said Gov. John Hoeven. “Many communities lack the financial resources to initiate housing projects. NDHFA’s Rural Community Housing Development loan program will help jump start the development needed.”

“Because of a perceived risk associated with developing in rural areas, it can be difficult to draw builders to these communities,” said Attorney General Wayne Stenehjem. “The Housing Finance Agency’s program will reduce risk by lowering predevelopment and construction costs.”

“There is more demand for housing in many of our smaller communities than there are homes for sale,” said Agriculture Commissioner Roger Johnson. “The Housing Finance Agency has made a commitment to offer the resources our communities need to meet new growth.”

NDHFA’s loan program offers short-term financing to communities of less than 20,000 population as well as non-profit organizations working in partnership with such communities. The funds can be used for predevelopment soft costs, land acquisition, site development and construction financing.

Financing is available for up to 75 percent of development costs, with a maximum loan of \$200,000. If the loan purpose includes construction financing and there is no permanent loan take-out commitment, the maximum loan amount is 50 percent of project cost. NDHFA will ask local lenders or non-profits to participate in the origination of the loans.

The Rural Community Housing Development pilot program is part of a package of community development tools the Housing Finance Agency recently began offering to North Dakota communities. Other programming includes Housing Market Survey Grants that help pay for an analysis of a community’s current and future housing needs, and Rural Housing Rehabilitation Loans for the rehabilitation of single-family or multi-family properties. NDHFA has also added staff to provide technical assistance to communities undertaking housing development projects.

“The tools we created enable communities to determine their specific housing needs and develop or rehab essential housing,” said Mike Anderson, NDHFA Executive Director. “We are excited to be taking on this new role and look forward to working with community leaders statewide.”

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

For more information, contact Mike Anderson or Jolene Kline at (701) 328-8080, (800) 292-8621 or (800) 366-6888 (TTY).

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