

# proposition 123 modular finance and innovative housing incentive program



## chfa business finance

loans up to  
\$8 million

below-market  
interest rates

flexible  
terms

### Program Description

The Proposition 123 Concessionary Debt program provides debt financing for modular and factory-built housing manufacturers. This program will be coordinated with OEDIT's Innovative Housing Incentive Program (IHIP) administered by CHFA to strategically invest in Colorado's offsite housing manufacturing industry.

### Eligible Use of Funds

- Traditional loan structures
- Lines of credit (Prop 123 only)
- Cash collateral support for a third-party loan (Prop 123 only)
- Construction
- Working capital (Prop 123 only)
- Equipment
- Inventory
- Raw materials
- Factory production and leased facility deposits

### Interest Rates, Fees, and Financing Terms

- Borrower proposes interest rate, term, and lien position
- Loan terms may be up to 10 years
- 1% origination fee
- Cash collateral support includes a 1% origination fee for a three-year term, and extensions may be offered with a 1% extension fee for each year extended
- Additional fees may apply (see program guidelines)

### Benefits

- Below-market interest rates
- Projects up to \$8 million
- Flexible financing terms, including traditional loans and/or cash collateral support

### Application Process

CHFA will accept Letters of Intent from June 1-30, 2025. Basic key data (template will be provided) and a brief project narrative will be required for the Letter of Intent.

In July 2025, CHFA will contact applicants with the status of their application. If an applicant is selected to move forward, CHFA will provide a full application checklist to perform a full underwrite of the business/application.

#### CHFA Business Finance

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**Affordable Housing  
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