

Understanding the Cost of Debt

Lending Institutions	Traditional Banks	Community Development Lenders	Bonds
Loan terms	10–15 years	Up to 10 years	Up to 30 years
Loan-to-value	70%–80%	80%–90% (sometimes higher)	Up to 100% (sometimes higher)
Fees (include closing costs, attorney fees)	1%–3%	1%–2%	5%–10%
Interest rates	5%–8%	5%–8%	3%–6%

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