

DOUGHERTY MORTGAGE LLC

PRODUCT OVERVIEW

Eligibility:

- Must be an existing HUD 202 Direct Loan
- Must execute and record a Use Agreement
- 30-Day notice to Tenants is required
- Project must remain a rental property for at least 5 years following loan closing

Loan Structure:

Loan Value:

- 90% of Value

Loan Term:

- Up to 35 years
- Fully Amortizing

Debt Service Coverage Ratio:

- 1.11x minimum for profit-motivated borrowers

* Interest Rate:

- Fixed Rate locked at Commitment based on Market Conditions

Prepayment:

- Lockout Terms may vary (typically 2 year lock with 8% declining)

Guaranty:

- Non-recourse

Mortgage Insurance:

- 1.0% for first year's premium, paid at loan closing
- 0.45% annually, thereafter

Benefits:

- Developer Fee of 15% of development costs
- Annual distribution from surplus cash is 6% of owners equity paid at the time of refinance
- Rents may be underwritten at contract rental rates



FHA / HUD Section 202 / 223(f) Refinance of Existing HUD 202 Direct Loan Using Section 223(f)

HUD Direct 202 Loans can be refinanced under Section 223(f) of the National Housing Act to facilitate the refinance of federally assisted Seniors Housing. These mortgages will be insured by the Federal Housing Administration, which, when combined with a Ginnie Mae security provided a "AAA" credit enhancement for bonds.

Requirements and Fees:

- Refinance proceeds must be used for the benefit of the project
- Replacement and Residual Receipts Escrows may be reduced to \$1,000 and \$500 per unit, respectively

Fees:

- **HUD Fee:** 0.3% FHA Exam Fee (refunded from mortgage proceeds at loan closing)
- **Inspection Fee:** Greater of 1% of Repairs or \$30 per unit (payable out of mortgage proceeds)

Processing Fee:

- Typically \$25,000 - Includes cost of Third Party Reports and Lender Due Diligence. Up to \$20,000 of existing Reserves can be used to fund these fees
- Borrower is responsible for Legal Fees and standard Closing Costs

Financing and Commitment Fees:

- Competitive and Negotiable

* Call for current Rates and Terms

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www.doughertymarkets.com