

DUS Manufactured Housing Property Lending

Description	Non-Recourse, fixed and adjustable rate financing for the acquisition or refinance of stabilized manufactured home communities.
Loan Amount	Minimum \$3,000,000.
Loan Terms	5, 7, 10 or 15 year balloon; 20, 25 or 30 year fully amortizing.
Amortization	25 or 30 years; Interest Only may be available based on leverage and loan term.
Loan-to-Value Maximum	Maximum 80% of appraised value, or, if a property has been purchased within the past 12 months, 80% of lower of appraisal or purchase price (and up to 3% of closing costs) plus value added renovation.
Coverage Minimum	1.25x fixed rate / 1.00x adjustable rate (based on loan coupon plus 3%).
Borrower	Domestic single asset borrowing entity is required.
Interest Rate	Risk-based "Tier" pricing, varying with LTV and DSC ratios.
Prepayment	Yield Maintenance with no lockout, Defeasance, or fixed step-down prepayment schedules.
Third Party Reports	MAI appraisal, Physical Needs Assessment, and Environmental Phase I Reports are required; Seismic Report is required for properties in Seismic Zone 4.
Reserves	Tax and Insurance escrow are required. Funded Repair and Replacement escrow is required, based on Physical needs assessment. For loans at less than 65% of value with no deferred maintenance, funding of repair and replacement reserve can be waived at lender's discretion.
Application Fee	\$15,000 to cover third party reports and processing/underwriting costs.

Continued on Reverse

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Origination Fee	Fannie Mae requires a minimum origination fee equal to one percent of loan amount for loans of \$9 Million or less. Minimum fees decrease with increasing loan size. Origination Fee can be charged “outside” of the interest rate as a separate fee, or it can be built into the rate.
Legal Fees	\$8,000 - \$15,000, varying on characteristics of the deal.
Timing	45-60 days from application to commitment, dependent on 3rd party report timing and borrower’s submission of due diligence.
Rate Lock	Typically, lock occurs after commitment is issued; Early Rate Lock option is available, allowing rate lock within 3-4 weeks of application.
Assumability	Loan is assumable, subject to lender approval of proposed replacement borrower. Fees include one percent assumption fee, part of which is paid to Fannie Mae, and a \$3,000 processing fee to cover lender’s underwriting expenses.
Requirements	<p>Manufactured Housing Community Specific Requirements:</p> <ul style="list-style-type: none"> Minimum of 50 pad sites Paved roads Professionally skirted with concealed hitches/jackposts A minimum of 2 off street paved parking spaces adjoining each home Ratio of tenant owned homes to owner occupied homes not to exceed 5% At least 50% of the sites must be doublewide Community must be served by underground public utilities or have a private sewage treatment plant and septic system Landscaping and entry signage must be high quality and well maintained