

Rockhall Funding Corp.

Streamlined Refinance of FHA-Insured Projects FHA Insurance Program Section 223(a)(7)

Rockhall Funding Corp. is an FHA-approved Mortgagee, MAP and LEAN Lender that provides FHA financing programs nationwide. Rockhall is a GNMA issuer and services the mortgages it originates.

Purpose:	Provides streamlined mortgage insurance processing for the refinance of properties currently insured by FHA.
Benefits:	Reduce debt service cost while generating proceeds for needed project repairs.
Maximum Term:	Not more than 12 years beyond the term of the FHA mortgage to be prepaid.
Maximum Loan:	The lesser of: <ol style="list-style-type: none">1. The amount supported by 90% of the NOI2. The original principal amount of the FHA loan to be repaid.3. The total cost of refinancing including existing debt, required repairs, transaction costs including prepayment penalties. (no cash out)
Personal Liability:	None. The FHA loan is non-recourse
FHA Application Fee:	0.30% of the loan amount due at application. Upon endorsement of the new mortgage, HUD will approve a request to refund one-half of the application fee.
FHA Inspection Fee:	<ol style="list-style-type: none">1. None if no repairs are required.2. \$30 per unit where repairs are \$3,000 or less per unit. 1% of cost of repairs if more than \$3,000 per unit due at closing
Mortgage insurance Premium:	45 bps per year for apartment, 50 bps for healthcare and 45 bps for healthcare with LIHTC.
Replacement Reserves:	Annual deposits in the amount equivalent to the greater of \$250 per unit per annum or the amount identified in the Project Capital Needs Assessment (PCNA)
Repairs:	Critical and non-critical repairs will be identified by the PCNA and may be financed in the transaction.

- Prepayment:** Typically closed for two years then open to repayment at 108% in year 3, declining 1% per year. Other variations are available based upon market conditions and borrower preference.
- Interest Rate:** Market interest rates change daily. Contact us for a quote.
- Timing:** Processing generally takes approximately 2-4 months (subject to deal specifics)

The Program has the following additional features:

- Davis-Bacon prevailing wage requirements do not apply to any repairs
- Loan funds may be used to increase the existing replacement reserve if it is inadequate.
- Loan proceeds may be used to fund minor repairs and all transaction costs
- A new appraisal, market study or Phase I Environmental report are not required as part of the new application
- A PCNA is required. A new PCNA will be required every 10 years.

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Rockhall correspondents are commercial mortgage finance experts who fully understand the processing requirements of this FHA program. You will not have a higher fee or higher rate if you go through a Rockhall correspondent. Rockhall pays the correspondent. The correspondent will work with you to assemble necessary transaction documentation and ensure that your deal is processed as quickly as possible with the best terms for you. Although you aren't required to work through one of our correspondents we recommend that you do.

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