

# Rockhall Funding Corp.

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## Apartment Refinance/Acquisition/Moderate Rehabilitation FHA Insurance Program Section 223(f)

*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 mortgage insurance for existing apartment complexes, to facilitate either refinancing or the acquisition and moderate rehabilitation of projects at least three years old, (Three year requirement can be waived in certain circumstances)
- Maximum Term:** 35 years - not to exceed 75% of remaining economic life
- Maximum Loan:**
- Refinancing:** The lesser of:
1. The amount supported by 83.3%, 85%, 87% or 90% of the NOI for market rate, affordable, rental assisted, or Section 202 properties, respectively.
  2. 83.3%, 85% 87%, or 90% of appraised value, for market rate, affordable, rental assisted, or section 202 properties, respectively.
  3. The greater of 80% of value, or 100% of total cost of refinancing
  4. FHA Statutory mortgage limits (FHA statutory loan limits are subject to adjustment based on the location of the project. Contact us for a determination of the loan limits that would apply to your project)
- Acquisition:** The lesser of:
1. The amount supported by 83.3%, 85%, 87% or 90% of the NOI for market rate, affordable, rental assisted, or Section 202 properties, respectively.
  2. 83.3%, 85% 87%, or 90% of appraised value for market rate, affordable, rental assisted, or section 202 properties, respectively.
  3. 83.3%, 85%, or 87% of acquisition cost for market rate, affordable, rental assisted, or section 202 properties, respectively.
  4. FHA Statutory mortgage limits (FHA statutory loan limits are subject to adjustment based on the location of the project. Contact us for a determination of the loan limits that would apply to your project)
- Commercial Space:** 2% of net rentable area and 20% of effective gross project income.
- Personal Liability:** None. Non-recourse for monetary default

<b>FHA App Fee:</b>	0.3% of the loan amount due at application
<b>FHA Inspection Fee:</b>	\$30.00 per unit due at closing
<b>Rockhall Fee:</b>	Negotiable
<b>MIP:</b>	The first year 1% MIP fee due at closing, subsequently, .45% per annum
<b>Repairs/Replacements:</b>	Funds for repairs, deferred maintenance and capital improvements up to the greater of 15% of value or \$6,500 per unit plus one major system (adjusted for area) can be included in loan.
<b>Prepayment:</b>	Typically closed for 2 years then pre-payable year 3 at 108% of par declining 1% per year. Shorter lock-outs are obtainable at a higher note interest rate
<b>Interest Rate:</b>	Market interest rates change daily. Call for quote.
<b>Eligible Borrowers:</b>	For-profit individuals and entities and not-for-profit single asset entities

**The program has the following additional features:**

- Certificates of Occupancy dated three years prior to date of application (subject to waiver)
- No pre-review is required by HUD
- Davis Bacon prevailing wage requirement do not apply
- A replacement reserve will be funded at closing
- Escrows for property taxes, insurance, and replacement reserves are required
- Annual audit of operations is required
- Second mortgages are not allowed. Soft seconds and stock pledge financing are allowed if properly structured.

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