



ROCKHALL FUNDING

People Backed Lending

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 the refinance, acquisition and moderate rehabilitation of existing apartment complexes that are at least three years old.

Maximum Term: Lesser of 35 years or 75% of remaining economic life

Maximum Loan¹:

Refinancing: The lesser of:

1. The amount supported by 85%, 87% or 90% of the NOI (DSCR 1.176, 1.15, or 1.11) for market rate, affordable, and 90% project-based rental assisted properties, respectively.
2. 85%, 87%, or 90% of appraised value for market rate, affordable, and 90% project-based rental assisted properties, respectively.
3. The greater of 80% of value or 100% of total cost of refinancing for rate and term refinance. 80% of value if there is cash-out to the borrower.
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 85%, 87% or 90% of the NOI for market rate, affordable, or 90% project-based rental assisted properties, respectively.
2. 85%, 87% or 90% of appraised value for market rate, affordable, or 90% project-based rental assisted properties, respectively.
3. 85%, 87%, or 90% of acquisition cost for market rate, affordable, or 90% project-based rental assisted, properties, respectively.

¹ Loans above \$75M are subject to lower LTVs and higher DSCR restrictions, per recently-passed HUD regulations. Contact us for additional details.

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:	25% of net rentable area and 20% of effective gross income.
Personal Liability:	Non-recourse for monetary default so long as borrower has complied with the regulatory agreement that is executed at closing.
FHA App Fee:	0.3% of the loan amount due at application
FHA Inspection Fee:	<ol style="list-style-type: none">1. \$30 per unit where repairs/improvements are greater than \$100,000 in total but \$3,000 or less per unit.2. The greater of \$30 per unit or 1% of repair costs where repairs are more than \$3,000 per unit.3. \$1,500 where repairs are less than \$100,000.
Rockhall Fee:	Negotiable
MIP:	<ol style="list-style-type: none">1. For projects with at least 90% LIHTC or at least 90% project-based rental assistance the MIP is 0.25% at closing and 0.25% annually.2. For projects with 10%-90% LIHTC or 10%-90% project-based rental assistance the MIP is 0.35% at closing and 0.35% annually.3. For market rate projects MIP is 1% at closing and 0.60% annually.
Repairs/Replacements:	Funds for repairs, deferred maintenance and capital improvements up to \$15,000 per unit (adjusted for high cost areas). One major building system can be included in loan.
Prepayment:	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
Interest Rate:	Market interest rates change daily. Call for quote.
Eligible Borrowers:	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
- 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
- Hard second mortgages are not allowed. Soft seconds and stock pledge financing are allowed if properly structured.