



MANUFACTURED HOME PARK LOAN PROGRAM TERM SHEET

Description: The Manufactured Home Park Loan Program provides permanent financing for the acquisition of mobile home parks (MHPs) by organizations interested in preserving the parks as affordable housing.

Acceptable Borrowers: Resident owned co-op (95% minimum membership participation); non-profit or public entities.

Acceptable Property Types: Manufactured home parks of five or more units. The MHP shall be 95% or more occupied by residents who own their own home (no investor owned rentals).

Minimum Affordability: Affordability to be guaranteed for the original term of the loan.

- At least 51% of the rental units are rented to households earning 80% of less of median income as defined by HUD; or
- At least 40% of the rental units are rented to households earning 60% of less of median income as defined by HUD; or
- At least 20% of the rental units are rented to households earning 50% of less of median income as defined by HUD.

NOAH shall use data published periodically by the Department of Housing and Urban Development (HUD) as a guideline for measuring median income levels in specific regions of the state, and further for determining affordability levels for those regions.

Loan Amount: \$300,000 minimum (generally), \$10,000,000 maximum but subject to Borrower concentration limits.

Maximum LTV: 75% of the stabilized "as improved" market value; soft debt from public sources or grants are considered equity

Minimum Debt Service Coverage Ratio (DCR): 1.20x – NOAH first mortgage payment, 1.10x on all scheduled debt service payments.

Recourse to Borrower: Fully recourse to the Borrower.

Security: First lien deed of trust on the secured property, assignment of rents and leases, and pledge of reserve accounts.

Interest Rate: 2.75% over the 10 year Treasury, current floor rate is 7.25%. The interest rate may be reduced If Oregon Affordable Housing Tax Credits are awarded to the project.

Term: Not to exceed 20 years.

Amortization: Not to exceed lesser of: 30 years or remaining economic life less 5 years.

Payments: Monthly amortizing principal and interest payments in addition to escrows for taxes and insurance (as applicable) and monthly deposit to capital replacement reserve.

Pre-Payment: 10 yr. FNMA Yield Maintenance and then 1%

Fees: Origination: 1% to 2% of the loan amount (minimum \$5,000)
Good Faith Deposit: \$500 to \$1,500
Document Preparation Fee \$500.
Borrower is responsible for all transaction costs.

Maximum Forward Commitment: Term 24 months

Initial Term of Commitment: 15 -18 months

Commitment Extension: Up to Maximum Forward Commitment term, with payment of a fee of .25% of the loan amount

Standard Reserves: Operating reserve equal to 3 months of project revenue calculated a 95% occupancy.

Capital Replacement Reserve initial deposit and on-going contribution based on the Capital Needs Assessment and scope of the planned rehabilitation.

Property Management: NOAH will require a professional property management firm or agency be engaged to manage the property. In addition, if co-op ownership, a Technical Assistance Advisor, acceptable to NOAH, will be required for the term of the loan, funded by property operations.

Required Third Party Reports: FIRREA compliance Appraisal, ordered by NOAH, setting forth "as-is" and "as-improved" market values.

Appraisal review if loan exceeds \$500,000.

Environmental Review, preparer must have \$1,000,000 errors and omissions insurance

Capital Needs Assessment which addresses compliance with the Americans with Disabilities Act.

Market Study (if not included in the appraisal).

Loan Requirements: All funding sources will be subordinate and acceptable to NOAH.

Project demonstrates compliance with ADA requirements.

Evidence that the project has achieved a minimum debt service coverage ratio of 1.20x for NOAH debt service and a minimum physical occupancy of 90% for the 3 months immediately prior to loan closing.

Borrower equity sufficient to meet LTV requirements.

All space leases in the MHP shall be subordinate to the NOAH loan.

NOAH receipt and satisfactory review of all Borrower organizational documents and Community Rules.

Co-op Requirements:

The Co-op shall provide a certified rent roll at closing that shall confirm that at least 60% of the residents within the MHP are members of the Cooperative.

Evidence that the project will achieve, as of closing based on executed leases , a minimum debt service coverage ratio of 1.20x and a minimum physical occupancy of 90% for the month immediately prior to loan closing.

The Co-op shall provide a written certification that a minimum of 30% of the park

residents have incomes at or below 80% AMI for the county where the MHP is located. Required only if the OAHTC's were awarded.

Receipt and satisfactory review of an Attorney Opinion letter.

Underwriting Checklist:

1. Signed Letter of Interest
2. Good Faith Deposit
3. Preliminary Title Report with copies of all exceptions
4. Financial Pro forma inclusive of Income and Expense Statement and Statement of Sources and Uses
5. Sponsor / General Partner financial information
 - a. Borrower Certification
 - b. Financial Statements for the last three fiscal years inclusive of Income and Expense Statement, Balance Sheet and Statement of Cash flows (preferably audited)
 - c. Year-to-date Financial Statement inclusive of Income and Expense Statement and Balance Sheet (dated within last three months)
 - d. Current year budget and projected budget for next year (if available)
 - e. Statement of Contingent Liabilities
 - f. Schedule of Real Estate Owned (Form Attached)
6. Market Study
7. Appraisal
8. Capital Needs Assessment
9. Plans and Specifications
10. Environmental Phase I – from consultant with \$1 million in E&O Insurance
11. Environmental Engineer E & O Insurance Certificate evidencing \$1 million in coverage
12. Environmental Reliance Letter (NOAH to provide form)
13. Environmental Questionnaire or OHCS Environmental Review Checklist with Certification (NOAH to provide forms)
14. Subsidy Documents from Non-OHCS Funding Sources
15. Evidence of property tax exemption
16. Information about property management agent/plan
17. Development team information
18. Borrower organizational documents and Community Rules.
19. Consolidated Funding Cycle Application
 - a. Reservation from Oregon Housing and Community Services
 - b. **OAHTC:** Oregon Affordable Housing Tax Credit Program Low—Income Housing Project Reservation letter
 - c. **HOME:** Home Investment Partnership Program Grant Agreement and Home Investment Program Declaration of Land Use and Restrictive Covenants
 - d. **Trust Fund/GHAP:** Grant Program Project Use Agreement, Or, Loan documentation if structured as a loan
 - e. **Weatherization Grant:** Project Use Agreement, Declaration of Restrictive Covenants and Equitable Servitude, Low-Income Weatherization Program
20. BOLI Determination Letter
21. Operating Statements for the last three fiscal years and year-to-date.

Please be advised that this term sheet is provided for informational purposes only, does not constitute a commitment or any offer from NOAH and is subject to change at any time. Please contact NOAH for questions related to your request or if you require additional information.