
SOURCE OF FUNDS

- ✘ Centennial Mortgage, Inc.

ELIGIBILITY

- ✘ Rehabilitation must be of such an extensive nature as to affect livability, marketability and competitive position and that; otherwise, the park is incapable of meeting its operating expenses and debt service obligations.
- ✘ Subject to Davis-Bacon requirements.

ESCROWS

- ✘ Full escrows for property taxes and mortgage and property insurance are funded at closing and must be maintained throughout the life of the loan.
- ✘ A Replacement Reserve account must be established at closing and is made immediately available for replacement of short-lived depreciable items. The account must be maintained with monthly contributions throughout the life of the loan. Interest earned on the account inures to the benefit of the property.
- ✘ An Operating Deficit escrow may be required by HUD to cover operating losses until sustaining occupancy is reached and, when required, must be funded by mortgagor with cash or a letter of credit.

FEATURES

- ✘ This is a non-recourse loan. Mortgagor assumes no personal liability.
- ✘ Long-term—up to 40 years, fully-amortizing.
- ✘ Low, fixed interest rates.
- ✘ Loan-to-cost ratio up to 90%.
- ✘ Most affirmative and negative loan covenants typically found in conventional loan agreements are eliminated.
- ✘ Converts to permanent financing upon completion at no extra cost.
- ✘ No low-income tenancy requirements.
- ✘ Fully assumable.
- ✘ Can be used as a credit enhancement for tax exempt bonds.
- ✘ Debt service coverage ratio of 111%.

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