
SOURCE OF FUNDS

- ✘ Centennial Mortgage, Inc.

ELIGIBILITY

- ✘ Property must currently be insured by HUD.
- ✘ Mortgagor entity may be either for-profit or non-profit.
- ✘ Property must not be in need of substantial rehabilitation. Minor rehabilitation, including specific capital improvements, modernization, utility conversion, or other value enhancement repairs, is allowed and included in the property valuation.
- ✘ Hospitals are excluded from this program.

REQUIREMENTS

- ✘ Critical repairs must be completed prior to closing.
- ✘ Non-critical repairs must be completed within 12 months of closing.
- ✘ Property must remain a rental property for at least 5 years after the loan closing date.
- ✘ Audited project financial statements must be filed annually with Centennial.

ESCROWS

- ✘ Full escrows for property taxes, mortgage insurance and any special assessments 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.
- ✘ If the loan includes repairs or capital improvements to be completed after closing, an additional 10% repair escrow must be funded with cash or a letter of credit.

FEATURES

- ✘ This is a non-recourse loan. Mortgagor assumes no personal liability.
- ✘ Extended term – up to 12 years additional term.
- ✘ Low, fixed interest rates.
- ✘ Most affirmative and negative loan covenants typically found in conventional loan agreements are eliminated.
- ✘ Fully assumable.
- ✘ Debt service coverage ratio of 111%.
- ✘ No appraisal, market study, architecture or environmental reports typically required.

Centennial Mortgage, Inc.