



MANUFACTURED HOME PARK FINANCING
NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION
AND REFINANCE
HUD SECTION - 207(m)

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 all applicable 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 available for replacement of depreciable capital items.
- ❖ An Operating Deficit escrow will be required by HUD to cover operating losses until sustaining occupancy is reached and funded with cash or a letter of credit.

FEATURES

- ❖ This is a non-recourse loan.
- ❖ Long loan 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 subject to CMI and HUD approval.
- ❖ Can be used as a credit enhancement for tax exempt bonds.
- ❖ Debt service coverage ratio of 1.11.

For Additional Information Contact: