

## Description

Non-recourse, fixed and adjustable-rate financing for the acquisition or refinance of stabilized manufactured home communities where the Borrower owns the Manufactured Housing Community (MHC) sites and associated common amenities and infrastructure, and leases the individual pad sites to the owners of the manufactured homes.

## Loan Term

5 – 30 years

## Amortization

Up to 30 years

## Interest Rate

Fixed and variable rate available

## Prepayment

Flexible prepayment options are available. Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate loans and declining prepayment for variable-rate loans.

## Loan to Value Maximum

80%

## Coverage Minimum

1.25x fixed rate / 1.00x adjustable rate

## Considerations\*

- MHC may be either age-restricted or all age (family community) and have a minimum of 50 pad sites
- Quality Level 3, 4, 5 communities
- At least one Key Principal of the Borrower must have experience in operating MHC
- The percentage of tenant-occupied homes generally may not exceed 35%
- Density is based on market norms and generally should not exceed 12 Manufactured Homes per acre for an existing community and 7 Manufactured Homes per acre for a new community.
- With limited exceptions, all Manufactured Homes must conform to applicable Manufactured Housing HUD Code standards
- Leases with 2-year terms or longer cannot contain a tenant option to purchase the site
- Additional pricing incentives available for non-traditional MHC ownership forms (e.g. non-profit, government entity, or resident owned)

## Third Party Reports

MAI Appraisal, Zoning Report, Property Condition Assessment, and Environmental Phase I Reports are required

## **Escrows**

Funding of tax, insurance, and replacement reserve escrows depend on leverage level and property condition.

## **Application Fee**

\$15,000 to cover third party reports and processing / underwriting costs

## **Rate Lock**

30- to 180-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option.

## **Accrual**

30 / 360 and Actual / 360

## **Recourse**

Non-recourse execution with standard carve-outs for "bad acts" such as fraud and bankruptcy.

## **Assumability**

Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience

## **Supplemental**

Financing available one-year after loan origination

## **Minimum Underwritten Vacancy / Collection Loss**

Minimum 5% economic vacancy assumption

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