

## 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 Amount

Minimum \$1M

## 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\*

- Existing, stabilized, professionally managed MHC, with or without age restrictions, having a minimum of 50 pads
- Quality Level 3, 4, 5 communities
- At least one Key Principal of the Borrower should have experience in operating MHC
- The percentage of tenant-occupied homes generally may not exceed 25%. Up to 35% allowed under certain conditions
- Density is based on market norms. Preference is not exceed 12 Manufactured Homes per acre for an existing community and 7 Manufactured Homes per acre for a new community.
- Homes should be professionally skirted with hitches removed or covered
- Preference is for two off-street paved parking spaces. On-street parking is allowed if in compliance with prevailing market conditions subject to local ordinance.
- Paved roads

- With limited exceptions, all Manufactured Homes should conform to applicable Manufactured Housing HUD Code standards
- Community must be served by underground public utilities or have a licensed private sewage treatment plant, septic system, or private water well
- Leases with 2-year terms or longer cannot contain a tenant option to purchase the site
- Further review is required if the property is in a flood zone

\*Note: Communities that do not meet all of the above characteristics will be considered on a case-by-case basis.

## 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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