Section 223(a)(7) - Project Analysis - Mortgage Sizing and Sources and Uses Worksheet

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To complete the worksheet, fill in only the blue cells.

Project Name	Oak Tree Manor Apartments	*Project #*	123-45678
Project City, ST	Springfield, MO	*Name of Mortgagor*	Oak Tree Manor LP
Lender	FHA Capital Mortgage, Inc.		

I. Lowest Mortgage Amount of criteria $ 4,800,000 — Requested Amount = Lower Mtg by Choice

		Difference vs. request		
1.	Mortgage or Loan Amount Requested in Application (This is a manual input usually equal to the lowest of the three amounts below:)		$ 4,800,000	
2.	Original Principal Amount of Mortgage(s) to be refinanced	$200,000	$ 5,000,000	Middle
5.	Criterion 5. Amount Based on Debt Service Ratio (see calculation 5. details below)	$1,255,700	$ 6,055,700	Highest
10.	Criterion 10. Amount Based on the cost of refinancing (see calculation 10. details below)	$1,500	$ 4,801,500	Lowest

II. Total Requirements for Settlement

Uses - Mortgageable Amounts

Current Unpaid Principal Balance of Existing Debt	$	4,570,638
Total Prepayment Penalty Costs	$	137,119
HUD approved debt to refinance via the A7	$	-
Critical repairs	$	25,000
Non critical repairs	$	10,000
Initial deposit to Reserve for Replacements	$	12,000
Fees	$	-
Financing fees (excluding Title&Rec., Leg&Org.)*	$	112,800
Title & Recording	$	19,000
Legal & organizational	$	4,000
Other permitted costs	$	-
(a). Total Mortgageable Uses of Cash	**$**	**4,890,557**

Sources

FHA Mortgage Amount	$	4,800,000
Trade Discount	$	-
Trade Profit to pay prepmt pnlts + any R4R dep	$	48,000
Grants & other sources to pay costs, e.g., debt	$	-
Purchased and Transferred Reserves	$	41,000
(b). Total Sources of Cash	**$**	**4,889,000**

Note: net proceeds to pay borrower costs: $ 4,848,000

Cash Requirement Calculation

(c)=(a)-(b). Mortgageable Uses of cash less Sources	**$**	**1,557**
(d). Non-mortgageable: Assurance of Completion Escrow	$	2,000
(e)=(c)+(d). Total Cash required	**$**	**3,557**

III. Payback* calculations & change in interest rate and maturity date

	P&I/mo.
Refi'd Debt***	$26,443
New Mortgage	$21,979
P&I savings (monthly)	$4,464
Annual P&I savings	$53,565

Transaction costs**	$272,919
Divided by Annual P&I savings	$53,565
Equals Payback Period (in years)	**5.1**
New 223(a)(7) interest rate:	4.250%
Old interest rate:	5.375%
Interest Rate reduction:	**1.125%**
Maturity extension (yrs.):	7.3

Fin. Fees, pre-pmt penalties, T&R, and legal fees.

* Payback period is not a program requirement.

** Includes incremental costs to third parties not incurred or incurrable under existing operation.

Section 223a7 Mortgage Sizing and Sources and Uses worksheet 9-22-15.xlsx

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Project Name	Oak Tree Manor Apartments	*Project #*	123-45678
Project City, ST	Springfield, MO	*Name of Mortgagor*	Oak Tree Manor LP
Lender	FHA Capital Mortgage, Inc.		

5.	Amount Based on Debt Service Ratio					
a.	Mortgage Interest Rate			4.250000%		
b.	Mortgage Insurance Premium Rate			0.450000%		
c.	Initial Curtail Rate @ term assumed (mos.)	420		1.244728%		
d.	Sum of Above Rates				5.944728%	
e.	Net Income	$ 400,000	x 90.0%		$360,000	
f.	Annual Ground Rent	+ Annual Spec. Assmt.				
g.	Line e minus line f				$360,000	
h.	Line g divided by line d					$6,055,700
i.	Annual Tax Abatement	divided by				
j.	Line h plus line I					$6,055,700

Note: rounding down amount: $86

10. Amount Based on Existing Indebtedness, Repairs, and Loan Closing Charges*

Refi'd Debt***	$5,000,000	FHA #	123-45678
Interest Rate	Amort. Start date		Maturity date
5.375%	6/1/2008		6/1/2043
Maturity-yrs.	Princ. Bal date		Rmng.Term-mos.
35.0	9/1/2015		333
Calc'd amort.	-$429,362	8.6%	Month of refi
Calc'd bal.	$4,570,638	91.4%	87
	Year of refi (truncated)		7

To Calc max mortgage based on cost, follow the steps below:

First, list known costs:

		(calc'd %	Amount included for Mortgage sizing
Current Unpaid Principal Balance of Existing Debt	$ 4,570,638	100.0%	$ 4,570,638
Total Prepayment Penalty Costs	$ 137,119	3.0%	
Prepmt pd via trade profit	$ 48,000	*Prepmt pd from loan proceeds (calc't'd):*	$89,119
R4R pd via trade profit	$ -		
Tot borrower cost via trade prf	*$ 48,000*		
HUD approved debt to refinance via the A7	$ -		$0
Amount required to pay off existing debt	$4,707,757		$4,659,757
Critical repairs			$ 25,000
Non critical repairs			$ 10,000
Initial deposit to Reserve for Replacements			$ 12,000
Fees			$ -
Title & Recording			$ 19,000
Legal & organizational			$ 4,000
Other permitted costs			$ -
(a). Total known/fixed costs before other costs			**$ 4,729,757**

<-Mnthly P&I= $ -

Note: Repairs Escrow calculations

$10,000	a.	Non-critical repairs
20.0%	b.	% escrow
$2,000	c.	$ escrow

Note: Total knowns excluding payoff
$ 70,000

List known non FHA-loan sources that offset costs:

Grants & other sources to pay costs, e.g., debt	$ -
Purchased and Transferred Reserves	$ 41,000
(b). Sum of known amounts to offset costs	**$41,000**
(c)=(a)-(b). Total known costs less known offset sources	**$4,688,757**

Second, list unknowns, i.e., costs as %s of the final mortgage amount:

FHA MIP	0.45%
FHA exam	0.15%
Financing Fee	0.50%
Perm Placement fee	1.25%
Allowance extra	0.00%
Trade Discount	0.00%
Total of unknowns %s	2.35%
(d). 1 minus % sum above is the gross up factor	97.65%
Third, apply gross up factor based on unknowns	97.65%
(c)/(d). Calculated cost mortgage	***$ 4,801,594***
Calculated cost mortgage rounded down	**$ 4,801,500**

Should be equal

The figures below recategorize the figures above to show a traditional cost mortgage breakdown:

a.	Total Existing Indebtedness	$ 4,659,757		
b.	Required Repairs	$ 35,000		
c.	Other Fees	$ -		
d.	Loan Closing Charges ** (see details below)	$ 147,835		
e.	Sum of line a through line d		$4,842,592	
f.	Enter the Sum of any Grant/Loan and Reserves for Replacement and Major Movable Equipment on Deposit		$41,000	
g.	Line e minus line f *(rounded down)*		$4,801,500	$4,801,500

Note: rounding down amount: $92 consistency chk vs. M108 (should be $0) $0

*Amounts included must reflect the applicant's expectations of costs, so that any anticipated change in costs, such as a policy-directed refund of fees, are taken into account.

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Project Name	Oak Tree Manor Apartments	*Project #*	123-45678
Project City, ST	Springfield, MO	*Name of Mortgagor*	Oak Tree Manor LP
Lender	FHA Capital Mortgage, Inc.		

V. Condensed summary of Sources and Uses

Sources		**Uses (summary)**	
New Section 223(a)(7) mortgage	$ 4,800,000	Unpaid Principal Balance of existing mortgage	$ 4,570,638
Lender payment of all or a portion of prepayment penalty	$ 48,000	Initial deposit to Reserve for Replacements	$ 12,000
LOC - Borrower funding of non-mortgageable Assurance of Completion escrow	$ 2,000	Non-critical repairs	$ 10,000
		Prepayment Penalty (entire amount due)	$ 137,119
		Assurance of completion escrow (non-mortgageable)	$ 2,000
Subtotal of selected Sources	$ 4,850,000	Subtotal of selected Sources	$ 4,731,757
All other Sources (includes transferred reserves, contributed cash & LOCs, + other trade. prem.	$ 40,557	All other Uses (includes fin. fees & costs, other refi'd debt, repairs, discnts. & misc.)	$ 158,800
Total Sources	$ 4,890,557	Total Uses	$ 4,890,557

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Project Name	Oak Tree Manor Apartments	*Project #*	123-45678
Project City, ST	Springfield, MO	*Name of Mortgagor*	Oak Tree Manor LP
Lender	FHA Capital Mortgage, Inc.		

V. Financing Charge details for Cost Based Criterion 10. mortgage and the Actual mortgage

Note that the actual mortgage may be equal to the Cost Based Criterion Mortgage if this is the maximum permitted mortgage):

Fees for the **Criterion 10 mortgage** of $ 4,801,500

** Financing Charges based on fees shown as %s of the mortgage amount listed in Section II, and certain "knowns" per cost-based mortgage calc't'd. per Criterion 10. above.			Financing fees Subtotal:
FHA MIP	$	21,607	
FHA exam	$	7,202	
Financing Fee	$	24,008	
Perm Placement fee	$	60,019	
Allowance extra	$	-	$ 112,835
Discount	$	-	
Trade Premium for prepmt costs,R4R			$ 48,000
Title Recording HUD	$	19,000	
Legal & org	$	4,000	
Initial dep to reserve	$	12,000	
Total	$	147,835	

Fees based on the **actual mortgage amount of** $ 4,800,000

* Financing Charges based on % above and certain "knowns" per actual mortgage			Financing fees Subtotal:
FHA MIP	$	21,600	
FHA exam	$	7,200	
Financing Fee	$	24,000	
Perm Placement fee	$	60,000	
Allowance extra	$	-	$ 112,800
Discount	$	-	
Trade Premium for prepmt costs,R4R			$ 48,000
Title Recording HUD	$	19,000	
Legal & org	$	4,000	
Initial dep to reserve	$	12,000	
Total	$	147,800	

VI. Details of Pricing of the mortgage or a mortgage security reflecting any Trade Profit to be used for permitted borrower costs

Note that the actual mortgage may be equal to the Cost Based Criterion Mortgage if this is the maximum permitted mortgage):

Pricing based on a **Criterion 10 mortgage** amount

Pricing before any lender-retained trade profit based on fees as %s and certain "knowns" per cost-based mortgage calc't'd. in 10. above.	$	% of mtg amt (par)
Principal amount of the mortgage	$4,801,500	100.000%
Prepmt pd via trade profit	$48,000	1.000%
R4R pd via trade profit	$0	0.000%
Tot prcds for borrower costs (excludes Escrow for Completion Assurance)	$4,849,500	101.000%

Pricing based on the **actual mortgage** amount

Pricing before any lender-retained trade profit based on fees as %s and certain "knowns" per actual mortgage		$	% of mtg amt (par)
Principal amount of the mortgage		$4,800,000	100.000%
Prepmt pd via trade profit	$	48,000	1.000%
R4R pd via trade profit		$0	0.000%
Tot prcds for borrower costs (excludes Escrow for Completion Assurance)	$	4,848,000	101.000%

VII. Details of prepayment penalty and sources of payment

		$	% of new actual mtg. amt.
Total Prepayment Costs to be paid		$137,119	2.857%
Total prepayment pnlty to be paid from mortgage proceeds		$89,119	1.857%
Total prepayment pnlty to be paid from Trade Profit		$48,000	1.000%
Balance of Trade Profit to deposit into the Res. For Repl.		$0	0.000%
Trade Profit Retained by the Lender			
Enter % here: 0.000%	or total $ here: $0	$0	0.000%
Total Trade Profit		$48,000	1.000%

*** If a refi of a refi, describe original mortgage here:

Original Princ. Balance		Int.Rate
Maturity date	Term	Amort. start date
	0	
	FHA #	

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