



# FHA 223(f) Refinance EXECUTIVE SUMMARY

21-Sep-12

Revision

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## SOURCES & USES OF FUNDS

### Estimated Sources

Bellwether Enterprise's Loan Amount	\$	4,000,100	
Other Sources	\$	-	
Other	\$	-	
<b>Total Sources</b>	<b>\$</b>	<b>4,000,100</b>	

### Estimated Uses

Existing Debt Balance	\$	-	0	
Prepayment Penalty (if applicable)	\$	-	0	
Initial Deposit to Reserve Fund	\$	2,935,710	\$ 15,869	per unit. Estimate
Estimate of Repair Cost (Critical & Non-Critical)	\$	828,439	\$ 4,478	per unit. Non-Critical portion is \$ 603,539 or on a per unit basis \$ 3,262
FHA Inspection Fee	\$	8,284	1% of Repair Costs or \$30/unit if Repairs are less than \$3,000.	
Financing Fee	\$	80,002	2.000%	
Mortgageable Bond Costs (if any)	\$	-	0.000%	
Discount	\$	-	0.000%	
Permanent Placement Fee	\$	-	0.000%	
Lender Legal (\$17.5k) & GNMA Costs	\$	19,500		
Title & Recording	\$	25,000		
FHA Exam Fee	\$	12,000	\$3 per 1,000	
First Year MIP	\$	40,001	1%	
Third Party Reports	\$	26,250		
Borrower Legal Legal & Organizational	\$	25,000	0	
<b>Total Uses</b>	<b>\$</b>	<b>4,000,187</b>		

### Net Proceeds to Borrower (Investment to Close)

20% Non-Critical Repair Escrow - Required Overcollateralization \$ (120,708) see below refunded upon completion of Non-Critical Repairs

Not Mortgageable - Costs/Bond Costs (if any) \$ -

### Net Proceeds to Borrower (Cash to Close) \$ (120,794)

### REFUND UPON COMPLETION OF REPAIRS

\$	120,708	*Refund of 20% Repair escrow after repairs completion.
<b>\$</b>	<b>(86)</b>	Net after refunded 20% Repair escrow

(1) RAD allows inclusion of a Developer Fee in an amount up to 10% of total development costs. There is room to add such a fee in this example.

(2) An independent Appraiser will provide a value estimate and HUD must approve the net income and capitalization rate.

(3) Environmental report is required, and Property Condition Assessment (PCA) Report is required to identify capital needs.

Under RAD PHA's are permitted to use available public housing funding including Operating Reserves, Capital Funds and Replacement Housing Factor funds, as an additional source of capital to support initial conversion, whether for rehabilitation or new construction. (A PHA may not use public housing program funds on a project following conversion.)