

Financing Options for Capital Heights

Part 1: Appraisal Summary

Restricted Rents

Net operating income	470,000
Valuation	5,450,000
Capitalization rate (imputed)	8.62%

Unrestricted Rents

Net operating income	510,000
Valuation	5,900,000
Capitalization rate (imputed)	8.64%

Part 2: Loan Sizing Estimates

Local Lender Underwriting

LTV based on unrestricted rents @	75%	4,425,000
Annual debt service based on 1.15 on restricted NOI		408,696
Supportable loan amount based on rate of	7.25%	4,992,547
Maximum Local Lender Loan		4,425,000

FHA 223(f)

NOI After Reserves		470,000
Capitalization rate based on new appraisal	8.50%	5,529,412
Loan to value limitation @	85.00%	4,700,000
Annual loan payment with 35 year amortization @	6.00%	321,587
	6.50%	340,743
Maximum FHA Loan Amount		4,700,000

Fannie Mae

Annual debt service based on 1.15 on restricted NOI		408,696
Supportable loan amount based on rate of	7.5%	4,870,890
LTV based on restricted rents @	85%	4,632,500
Maximum Fannie Mae Loan		4,632,500