



DPMC ASSET ADVANTAGE LOAN PROGRAMS

For over 30 years, DAVIS-PENN MORTGAGE CO. has assisted clients with their FHA Multifamily financing needs and then provided professional servicing of their loans.

As a full service mortgage bank, our focus has always been to provide a quick response to our clients' needs both before the loan is closed as well as after. **To continue with our tradition...**

...DAVIS-PENN MORTGAGE CO. announces the introduction of

DPMC ASSET ADVANTAGE

This program will complement and enhance our ability to provide our clients with the financial tools they need to compete in the Commercial Real Estate Market. If it is to acquire or refinance:

- Multifamily
- Manufactured Housing
- Industrial
- Office
- Retail
- Hotel
- Self Storage
- Senior Housing

Our conventional program will provide you with the competitive rate and fast execution that you need to move forward. Enclosed is a brief overview of the program highlights and we look forward to discussing how DAVIS-PENN MORTGAGE CO. can assist you with your commercial financing needs.

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DPMC ASSET ADVANTAGE LOAN PROGRAMS

**FIXED RATE LOAN PROGRAM
OVERVIEW**

Loan Purpose:	First mortgage loans for acquisitions, refinances and construction
Property Types:	Multifamily, Office, Retail, Industrial, Warehouse, Hospitality, Self-Storage, and others
Financing Size:	No minimum, no maximum
Loan Term:	From 2 – 30 years
Amortization:	Up to 30 years, interest only on a case-by-case basis
LTV Ratios:	Up to 80% for all property types
DSCR:	1.20x minimum for all property types
Collateral:	First mortgage, both recourse and non-recourse available



DPMC ASSET ADVANTAGE LOAN PROGRAMS

**FLOATING RATE LOAN PROGRAM
OVERVIEW**

Loan Purpose:	Short-term first mortgage loans for acquisitions, refinances and construction
Property Types:	Multifamily, Office, Retail, Industrial, Warehouse, Hospitality, Self-Storage, and others
Financing Size:	\$3,000,000 – minimum, no maximum
Loan Term:	1-10 year term with up to 20 years including extension options
Amortization:	Up to 30 years or Interest Only
LTV Ratio:	Up to 92.5%
DSCR:	1.10x with Interest Rate Cap purchased by Borrower
Collateral:	First mortgage, both recourse and non-recourse



DPMC ASSET ADVANTAGE LOAN PROGRAMS

**ASSET PARTICIPATION LOAN PROGRAM
OVERVIEW**

The Borrower: The Program is designed to provide increased leverage for the experienced developer/manager with excellent skills in building, refurbishing, leasing and selling commercial income producing property.

The Program: The Program is an extension of our standard mortgage loan on either immediate fundings or forward commitment opportunities. The basic underwriting criteria remain the same: credit oriented deals at current interest rates. Target property types for this program include: credit anchored retail, multifamily and credit tenant warehouses on long term leases.

Investment Criteria: The Investor will provide a completion guarantee to lend 100% of the construction or cost of improvements and up to 85% of underwritten value. Costs include all hard and soft costs associated with the project (except for developer fee which should be paid on the backend). Leasing commissions and other similar costs will be included only if third party entities are utilized. Construction loans are recourse to the Borrower, while the permanent loan is non-recourse except for the standard carve-outs (i.e. fraud, misrepresentation, etc...).

The Investor has a 3-year investment horizon. Therefore, the call date of the loan will be for three years. The loan can be paid off at any time during that time without a prepayment premium. The rate will be our current 3-year rate. Amortization is usually five years beyond the credit lease or 20 to 25 years, depending on project specifics.

The Investor will collect its debt service, 50% of cash flow and 50% of the profit from sale and the developer will retain all depreciation through the call date.



FHA MULTIFAMILY LOAN PROGRAMS

- Fixed Interest Rate
- Non-recourse
- No balloon
- Assumable

HUD 221(D)4 PROGRAM TERMS

Eligible Proposals:	Proposed new construction, substantial repair and rehabilitation of existing dwelling units and facilities
Loan Term:	40 year term / amortization
Loan to Value Ratio:	<ol style="list-style-type: none"> 1. New construction: 90% of estimated rehabilitation cost plus 90% of purchase price. 2. Substantial rehabilitation: property acquisitions use 90% of estimated rehabilitation cost plus 90% of purchase price and property owned uses 100% of estimated rehabilitation cost plus existing debt.
Project Rents:	No rent control. Underwritten and adjusted using Market comparables.
Project Financing:	<ol style="list-style-type: none"> 1. Short-term loan covers costs incurred during the construction period. 2. Permanent loan repays the construction loan and provides the long-term project financing. Davis-Penn provides both loans.
Assurance of Completion:	Required for all construction and rehabilitation projects.

Project Reserve: Project establishes a reserve fund for replacements with the Mortgagor.

HUD 223F PROGRAM TERMS

Loan Purpose:	Mortgage insurance for permanent loans to acquire or refinance existing multifamily rental housing (apartments, nursing homes, assisted-living, etc.).
Eligible Projects:	Any multifamily property that is at least three years old and does not require substantial rehabilitation.
Repairs/Rehabilitation:	Major rehabilitation is not permitted, but repairs may be made to the greater of 15% of value or \$6,500 per unit plus a high cost factor.
Occupancy/Vacancy:	Project will be underwritten utilizing a minimum 5% vacancy factor.
Replacement Reserve:	An initial capital replacement reserve account will be established at closing and monthly payments will be made to this account.
Loan Criteria:	Refinance: 85% of value, 85% of NOI and refinance costs Purchase: 85% of value, 85% of NOI and 85% of acquisition costs

HUD 232 PROGRAM TERMS

Eligible Projects:	Nursing homes, intermediate care, assisted-living, or existing board and care facilities (collectively referred to as “residential care facilities”).
Eligible Programs:	<ol style="list-style-type: none"> 1. New construction or substantial rehabilitation of an existing residential care facility. 2. Purchase or refinance of existing conventionally financed residential care facilities (pursuant to the Section 223f Program).
Loan to Value Ratios:	<ol style="list-style-type: none"> 1. New construction or substantial rehabilitation transactions: 90% for profit Mortgagors & 95% for non-profit Mortgagors 2. Purchase or refinance transactions: 85% for profit Mortgagors & 90% for non-profit Mortgagors