-AGENDA-
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
525th BOARD MEETING
May 1, 2025
637 South Clinton Avenue
Trenton, NJ 08650-2085

PUBLIC SESSION

NOTICE OF PUBLIC MEETING

ROLL CALL

1. APPROVAL OF MINUTES

1a. Approval of the Public Session Minutes of the March 20, 2025 Special Teleconference Annual Meeting of the HMFA Board

2. SINGLE FAMILY

2a. Approval of Updates to the Participating Lenders Guide

3. MULTIFAMILY –FOUR PERCENT TAX CREDITS – DECLARATION OF INTENT

3a. HMFA #07987– Alfred Cramer - *Location: Camden, Camden County, Developer: Michaels Development Company I, LP* – Approval of a Declaration of Intent

b. HMFA #07982– Garden Court Apartments - *Location: Atlantic City, Atlantic County, Developer: WinnDevelopment Company LP* – Approval of a Declaration of Intent

c. HMFA #–07999- 10 Park Place - *Location: Newark, Essex County, Developer: SK Development, LLC* - Approval of a Declaration of Intent

d. HMFA #08003 – The Crossings at Brick Church Station 1B – *Location: East Orange, Essex County, Developer: Triangle Equities Development Inc.* – Approval of a Declaration of Intent

e. HMFA #08007 – Paulsboro Gardens Apartments – *Location: Paulsboro, Gloucester County, Developer: PRC Group LLC* – Approval of a Declaration of Intent

f. HMFA 07953 - The Apartments at Mine Hill - *Location: Mine Hill, Morris County, Developer: Kushner Real Estate Group* – Approval of a Declaration of Intent

4. MULTIFAMILY –FOUR PERCENT TAX CREDITS

4a. HMFA #07820– Highland Views Phase I - *Location: Newark, Essex County, Developer: MAR Acquisition Group, LLC.* – Approval of a Mortgage Financing Recommitment

5. MULTIFAMILY –NINE PERCENT TAX CREDITS

5a. HMFA #03518 – Apartments at Clinton – *Location: Clinton Township, Hunterdon County, Developer: PIRHL Developers, LLC* – Approval of a Mortgage Financing Commitment

b. HMFA #07958 – Edgewater Park Senior Apartments – *Location: Edgewater Borough, Burlington County, Developer: Walters - Cornerstone Development LLC* – Approval of a Mortgage Financing Commitment

c. HMFA #07767– Verona Flats aka Apartments at Verona - *Location: Verona, Essex County, Developer: Conifer Realty, LLC.* – Approval of a Mortgage Financing Commitment

6. SPECIAL PROGRAMS

6a. FIP #020 – 43 Sharpless Drive - Approval of a Funding Commitment from the Foreclosure Intervention Program (FIP)

b. Approval of the Affordable Housing Insurance Pilot Program (AHIP) Guidelines

7. ADJOURNMENT

Note: If an Executive Session is necessary, NJHMFA will announce when entering into Executive

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY APPROVAL OF THE PUBLIC SESSION MINUTES OF THE MARCH 20, 2025 MEETING OF THE HMFA BOARD

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered approval of the minutes of the March 20, 2025 meeting of the HMFA Board attached hereto as Exhibit A Public Session; and

WHEREAS, the Members are asked to adopt a resolution approving the minutes of the March 20, 2025 meeting of the HMFA Board as attached hereto as Exhibit A, Public Session.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The minutes attached hereto as Exhibit A, Public Session, are hereby approved.

Section 2. The minutes attached hereto as Exhibit A, Public Session, are hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

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Laura Shea
Assistant Secretary

MINUTES OF THE 524th ANNUAL TELECONFERENCE BOARD MEETING OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

March 20, 2025

MEMBERS:

* Janel Winters, Assistant Commissioner, DCA (representing Jacquelyn Suarez, Commissioner, DCA)
** Philip Espinosa, Deputy Attorney General, Division of Law, (representing Matthew J. Platkin, Attorney General)
*** Paulette Sibblies-Flagg, Administrator of Accreditation, Department of Banking and Insurance (representing Commissioner Justin Zimmerman, Department of Banking and Insurance
**** Robert Tighue, Assistant Deputy Director, Department of Treasury (representing Elizabeth Maher Muoio, State Treasurer)
***** Eric Kaufman, Director of Special Projects, Department of Human Services (representing Sarah Adelman Commissioner, Department of Human Services)
Diane Johnson

HMFA STAFF PRESENT:

Melanie Walter, Executive Director
Laura Shea, Chief of Legal and Regulatory Affairs
John Murray, Chief Financial Officer
Deb Urban, Chief of Multifamily Programs
Jeanette Nieves, Executive Board Secretary
Tanya Hudson-Murray- Managing Director of Multifamily Programs
Rosy Dafonseca - Assistant Director of Multifamily/Supported Housing and Lending
Donna Spencer –Director of Multifamily Programs
Jonathan Sternesky, Manager of Policy and Legislative Affairs
Matthew Gelman General Services Assistant II
Darryl Applegate, Director of Regulatory Affairs
Ahsan Zia, MITAS Project Manager
Jennifer Riley, Multifamily Loan Processor
Teresa White, Assistant Director of Risk Management & Special Program
Jaime Ding, Policy and Programs Analyst II
Katone Glover, Director of Asset Management
Pam DeLosSantos, Director of Technical Services
Chalyn Toon, Credit Officer III
Catherine Bernard, Assistant Director of MF Program Funding
Mary Miller, Director of Operations
Jordan Moskowitz, Managing Director of Single -Family Programs
Radica Ghooray, Director of Information Technology
Rebecca Errickson, Junior Executive Assistant

OTHERS
PRESENT:

Vladimir Palma, Deputy Attorney General, Attorney General's Office
Dorian Smith, Senior Counsel, Governors Authority Unit

MEMBERS
OF THE PUBLIC:

Sandra Seymour, Public
Alex Vlamis, Barclay
Brenden Watson, Barclays
Harriet Yellin, Public
Bruce Yellin, Public
Carmelo Velasco, McCarter and English

State of New Jersey

DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO BOX 800
TRENTON, NJ 08625-0800

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lieutenant Governor

JACQUELYN A. SUÁREZ
Commissioner

December 9, 2024

Melanie R. Walter
Executive Director
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Avenue
Trenton, New Jersey 08611

Dear Executive Director Walter:

Please accept this letter as formal notification that Department of Community Affairs Assistant Commissioner Janel Winter will serve as my designee, and Chief of Staff Kia A. King will serve as my alternate designee on the New Jersey Housing and Mortgage Finance Agency Board. They are authorized to represent me in my absence and will have voting rights on behalf of myself and the Department of Community Affairs.

If you have any questions, please do not hesitate to call my office at 609-913-4800.

Sincerely,

Jacquelyn A. Suárez

Jacquelyn A. Suárez
Commissioner

* Letter of December 9, 2024 designating Janel Winters to represent Jacquelyn Suarez, Commissioner, DCA

** Letter of January 27, 2023 designating Philip Espinosa to represent Matthew J. Platkin, Attorney General

*** Letter of January 17, 2020 designating Paulette Sibblies – Flagg to represent Justin Zimmerman, Acting Commissioner, Department of Banking and Insurance

**** Letter of November 29, 2022 designating Robert Tighue to represent the State Treasurer, Elizabeth Maher Muoio

***** Letter of November 2, 2018 designating Eric Kaufman to represent Sarah Adelman, Commissioner, Department of Human Services

Janel Winters, Assistant Commissioner, Department of Community Affairs read the following into the minutes:

NOTICE OF PUBLIC MEETING

The New Jersey Housing and Mortgage Finance Agency gave notice of the time, place and date of this meeting by electronic mail on March 14, 2025 to the Secretary of State of New Jersey, The Star Ledger, The Times, and the Courier Post, and by posting the notice at the office of the Agency in Trenton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Housing and Mortgage Finance Agency in order to hold a session from which the public is excluded.

ROLL CALL

Executive Director Walter addressed the Board to provide the Executive Director's Update

APPROVAL OF MINUTES

APPROVAL OF THE PUBLIC SESSION MINUTES OF THE JANUARY 27, 2025 MEETING OF THE HMFA BOARD – ITEM 1A.

Diane Johnson moved and Paulette Sibblies Flagg seconded. 1. Approval of the Public Session Minutes of the January 27, 2025 Meeting of the HMFA Board

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

APPROVAL OF THE PUBLIC SESSION MINUTES OF THE FEBRUARY 21, 2025 MEETING OF THE HMFA BOARD – ITEM 1B

Robert Tighue moved and Diane Johnson seconded. 1. Approval of the Public Session Minutes of the February 21, 2025 Meeting of the HMFA Board

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

SPECIAL NEEDS

HMFA #07879– RIVER ROAD SUPPORTIVE HOUSING– APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 2A

Robert Tighue moved and Paulette Sibblies Flagg seconded. Approval of a mortgage loan commitment for an estimated $719,000 in construction and permanent financing from the Special Needs Housing Trust Fund ("SNHTF") for a project known as River Road Supportive Housing, HMFA #07879 (the "Project"), upon the terms and conditions set forth in the RFA.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

MULTIFAMILY – FOUR PERCENT TAX CREDITS- DECLARATION OF INTENT

The following projects are seeking approval of the issuance of a declaration of intent. The declaration of intent is the preliminary step in the mortgage commitment process. Each of the following projects will be presented to the Board at a subsequent meeting for approval of a mortgage financing commitment.

HMFA #07921– SALEM SENIOR VILLAGE – APPROVAL OF A DECLARATION OF INTENT - ITEM 3A

Diane Johnson moved and Paulette Sibbles Flagg seconded. Approval of a "Declaration of Intent" stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $9,747,000 in permanent financing for a project known as Salem Senior Village, HMFA #07921 (the "Project"). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the "Original Expenditures") associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the "Reimbursement Regulations") promulgated under the Internal Revenue Code of 1986, as amended (the "Code").

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07976– VINELAND GARDENS– APPROVAL OF A DECLARATION OF INTENT - ITEM 3B

Robert Tighue moved and Philip Espinosa seconded. Approval of a "Declaration of Intent" stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $11,853,000 in permanent financing for a project known as Vineland Gardens, HMFA #07976 (the "Project"). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the "Original Expenditures") associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the "Reimbursement Regulations") promulgated under the Internal Revenue Code of 1986, as amended (the "Code").

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07975– CHERRY HILL SENIOR HOUSING – APPROVAL OF A DECLARATION OF INTENT - ITEM 3C

Diane Johnson moved and Robert Tighue seconded. Approval of a "Declaration of Intent" stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $13,639,000 in permanent financing for a project known as Cherry Hill Senior Housing, HMFA #07975 (the "Project"). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the "Original Expenditures") associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the "Reimbursement Regulations") promulgated under the Internal Revenue Code of 1986, as amended (the "Code").

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

MULTIFAMILY – FOUR PERCENT TAX CREDITS

HMFA #07862– COLUMBUS CROSSING – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4A

Robert Tighue moved and Diane Johnson seconded. Approval of a mortgage loan commitment for an estimated $30,575,000 in permanent only financing from the Agency Revenue Bond Financing Program for a project known as Columbus Crossing, HMFA #07862 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $10,000,000 in permanent only financing from the Affordable Housing Production Fund ("AHPF") for the Project, pursuant to the AHPF Program Guidelines. Approval of a subsidy mortgage loan commitment for an estimated $4,000,000 in construction and permanent financing from the Special Needs Housing Trust Fund ("SNHTF") Program for the Project, pursuant to the SNHTF Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07889– 27 BURNT TAVERN ROAD – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4B

Paulette Sibblies Flagg moved and Philip Espinosa seconded. Approval of a mortgage loan commitment for an estimated $15,215,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as 27 Burnt Tavern Road, HMFA #07889 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $9,884,000 in permanent financing from the Affordable Housing Production Fund ("AHPF") Program for the Project, pursuant to the AHPF Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07968– AVENEL VETERANS – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4C

Robert Tighue moved and Diane Johnson seconded. Approval of a mortgage loan commitment for an estimated $16,242,000 in construction and permanent financing from the Agency Revenue Bond Financing Program for a project known as Avenel Veterans, HMFA #07968 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $8,850,000 in construction and permanent financing from the Affordable Housing Production Fund ("AHPF") Program for the Project, pursuant to the AHPF Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07927– BIRCHWOOD AT FAIRMOUNT HOTEL – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4D

Paulette Sibblies Flagg moved and Philip Espinosa seconded. Approval of a mortgage loan commitment for an estimated $11,393,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as Birchwood at Fairmount Hotel, HMFA #07927 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $8,850,000 in permanent only financing from the Urban Preservation Program ("UPP") Program for the Project, pursuant to the UPP Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA # 07818 – PECKS BEACH – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4E

Philip Espinosa moved and Diane Johnson seconded. Approval of a mortgage loan commitment for an estimated $16,733,00 in construction and permanent financing from the Agency Revenue Bond Financing Program for a project known as Pecks Beach, HMFA#07818 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $9,000,000 in construction and permanent financing from the Affordable Housing Production Fund ("AHPF") Program for the Project, pursuant to the AHPF Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07773– THE PLACE AT MIDDLETOWN WALK – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4F

Robert Tighue moved and Philip Espinosa seconded. Approval of a mortgage commitment for an estimated $9,131,000 in permanent only financing from the Agency Revenue Bond Financing Program for a project known as The Place at Middletown Walk, HMFA #07773 (the "Project"), upon the terms and conditions set forth in the RFA.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07915–GLENDENNING HOMES PHASE I – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4G

Diane Johnson moved and Paulette Sibblies Flagg seconded. Approval of a mortgage loan commitment for an estimated $16,420,000 in permanent only financing from the Agency Revenue Bond Financing Program for a project known as Glendenning Homes Phase I, HMFA #07915 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $8,700,000 in construction and permanent financing from the Urban Preservation Program ("UPP") for the Project, pursuant to the UPP Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07942– THE WILLOWS AT POHATCONG PHASE I – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4H

Philip Espinosa moved and Robert Tighue seconded. Approval of a mortgage loan commitment for an estimated $10,058,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as The Willows at Pohatcong Phase I, HMFA #07942 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $7,200,000 in permanent financing from the Affordable Housing Production Fund ("AHPF") Program for the Project, pursuant to the AHPF Program Guidelines. Approval of a subsidy mortgage loan commitment for an estimated $1,050,000 in construction and permanent financing from the Special Needs Housing Trust Fund ("SNHTF") Program for the Project, pursuant to the SNHTF Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07943– THE WILLOWS AT POHATCONG PHASE II – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4I

Philip Espinosa moved and Robert Tighue seconded. Approval of a mortgage loan commitment for an estimated $10,058,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as The Willows at Pohatcong Phase II, HMFA #07943 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $7,200,000 in permanent financing from the Affordable Housing Production Fund ("AHPF") Program for the Project, pursuant to the AHPF Program Guidelines. Approval of a subsidy mortgage loan commitment for an estimated $1,050,000 in construction and permanent financing from the Special Needs Housing Trust Fund ("SNHTF") Program for the Project, pursuant to the SNHTF Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

MULTIFAMILY – FOUR - PERCENT TAX CREDIT CONDUIT

HMFA #07863– BRUNSWICK VILLAGE – APPROVAL OF A MORTGAGE FINANCING RECOMMITMENT - ITEM 5A

Paulette Sibblies Flagg moved and Philip Espinosa seconded. Approval of a mortgage loan recommitment for an estimated $25,353,000 in construction and permanent financing from the Agency Conduit Bond Program for a project known as Brunswick Village, HMFA #07863 (the "Project"), upon the terms and conditions set forth in the RFA.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07904– 930 MCCARTER HIGHWAY– APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 5B

Diane Johnson moved and Robert Tighue seconded. Approval of a mortgage loan commitment for an estimated $20,730,000 in construction and permanent financing from the Agency Conduit Bond Program for a project known as 930 McCarter Highway, HMFA #07904 (the "Project"), upon the terms and conditions set forth in the RFA.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

MULTIFAMILY – NINE - PERCENT TAX CREDIT

HMFA #07817– HIGHLAND VIEWS PHASE II – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 6A

Robert Tighue moved and Paulette Sibblies Flagg seconded. Approval of a mortgage loan commitment for an estimated $10,440,000 in permanent only financing from the Agency Revenue Bond Financing Program for a project known as Highland Views Phase II HMFA #07817 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $1,500,000 in construction and permanent financing from the Special Needs Housing Trust Fund ("SNHTF"), upon the terms and conditions set forth in the RFA. Approval of subsidy mortgage loan commitment for an estimated $10,000,000 in construction and permanent financing from the Urban Preservation Program ("UPP"), upon the terms and conditions set forth in the RFA.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #03504– HENDERSON ROAD PHASE II – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 6B

Philip Espinosa moved and Robert Tighue seconded. Approval of a mortgage loan commitment for an estimated $5,808,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as Henderson Road Phase II Supportive Housing, HMFA #03504 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $2,400,000 in construction and permanent financing from the Special Needs Housing Trust Fund Program ("SNHTF") for the Project, pursuant to the SNHTF Program Guidelines. Approval of a subsidy mortgage loan commitment for an estimated $2,000,000 in permanent financing from the Affordable Housing Production Fund Set Aside ("AHPFSA") Program for the Project, pursuant to the AHPFSA Program Guidelines. Approval of a subsidy mortgage loan commitment for an estimated $1,288,000 in permanent financing from the Affordable Housing Gap Subsidy ("AHGS") Program for the Project, pursuant to the AHGS Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #03518– APARTMENTS AT CLINTON – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 6C

THIS ITEM HAS BEEN PULLED FROM THE AGENDA

HMFA #03526– MOUNT LAUREL SENIOR HOUSING PHASE I – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 6D

Diane Johnson moved and Paulette Sibblies Flagg seconded. Approval of a mortgage commitment for an estimated $1,330,000 in permanent financing from the Agency's Revenue Bond Financing Program for a project known as Mount Laurel Senior Housing, Phase I, HMFA #03526 (the "Project"), upon the terms and conditions set forth in the RFA. Approval of a subsidy mortgage loan commitment for an estimated $2,000,000 in permanent financing from the Affordable Housing Production Fund Set Aside ("AHPFSA") Program for the Project, pursuant to the AHPFSA Program Guidelines. Approval of a subsidy mortgage loan commitment for an estimated $835,000 in permanent financing from the Affordable Housing Gap Subsidy ("AHGS") Program for the Project, pursuant to the AHGS Program Guidelines.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

MULTIFAMILY

APPROVAL OF REVISIONS TO THE MULTIFAMILY UNDERWRITING GUIDELINES AND FINANCING POLICY - ITEM 7A

Robert Tighue moved and Philip Espinosa seconded. Approval to amend the Multifamily Underwriting Guidelines and Financing Policy (the "Multifamily Guidelines") for the Multifamily Programs and Lending as set forth in the RFA. Authorization for the Executive Director and the Chief of Programs to approve amendments to correct errors in or clarify the Guidelines, so long as such amendments do not result in a change in policy or implementation of the Guidelines as currently approved. Any amendments that would change the underlying policy or implementation of the Guidelines from the form in which it is now presented shall remain subject to Agency Board approval. Authorization for the Executive Director, the Chief of Programs, the Chief Financial Officer, the Chief of Legal and Regulatory Affairs, in consultation with the Attorney General's Office, to execute any and all documents necessary to effectuate the above actions.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

APPROVAL OF REVISIONS TO THE SPECIAL NEEDS GUIDELINES - ITEM 7B

Philip Espinosa moved and Paulette Sibblies Flagg seconded. Approval to amend the Special Needs Housing Trust Fund Underwriting Financing Guidelines and Policy (the "Special Needs Trust Fund Guidelines") for the Special Needs Housing Trust Fund as set forth in the RFA.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

SPECIAL PROGRAMS

FIP #018 – 707-A CYPRESS POINT CIRCLE – APPROVAL OF A FUNDING COMMITMENT FROM THE FORECLOSURE INTERVENTION PROGRAM (FIP) – ITEM 8A

Paulette Sibblies Flagg moved and Diane Johnson seconded. Approval to enter into a grant agreement for an amount not to exceed $400,000 (Four Hundred Thousand Dollars) for acquisition and rehabilitation costs from the Residential Foreclosure Intervention Program ("FIP") for the property located at 707 A Cypress Point Circle, Mount Laurel, New Jersey (the "Project"), upon the terms and conditions set forth in the RFA.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

FIP #019 – 37 GRISTMILL LANE– APPROVAL OF A FUNDING COMMITMENT FROM THE FORECLOSURE INTERVENTION PROGRAM (FIP) – ITEM 8B

Robert Tighue moved and Philip Espinosa seconded. Approval to enter into a grant agreement for an amount not to exceed $400,000 (Four Hundred Thousand Dollars) for acquisition and rehabilitation costs from the Residential Foreclosure Intervention Program ("FIP") for the property located at 37 Gristmill Lane, Pine Hill, New Jersey (the "Project"), upon the terms and conditions set forth in the RFA.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

REGULATORY AFFAIRS

HMFA #0279 – GEORGIA KING VILLAGE– APPROVAL OF A TRANSFER WITHIN THE MANAGING MEMBER– ITEM 9A

Diane Johnson moved and Robert Tighue seconded. Board approval of the transfer of the sole member interest of L+M Master Series II 2018 LP (the "Seller") in L&M GK Preservation LLC (the "Managing Member"), the managing member of GK Preservation LLC ("Owner"), the owner of Georgia King Village, HMFA #0279/SNHTF#344/MFP#14, to Selene Affordable LLC (the "Buyer"). Authorization for the Executive Director, Chief Financial Officer, Chief of Legal and Regulatory Affairs and the Chief of Multifamily Programs to execute any and all documents necessary to effectuate the above action.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

APPROVAL OF FINAL ADOPTION OF AMENDMENTS TO THE SINGLE-FAMILY PROGRAM REGULATIONS– ITEM 9B

Paulette Sibblies Flagg moved and Robert Tighue seconded. Approval of the adoption of amendments and other changes (collectively, the "amendments") to the Agency's rules governing single-family programs. Authorization for the Executive Director, the Administrative Practice Officer, and/or other staff, as appropriate, in consultation with the Attorney General's office, to prepare and submit an adoption notice substantially in the form attached hereto to the Office of Administrative Law (OAL) to be published in the New Jersey Register to effectuate the adoption of the amendments.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

APPROVAL OF ADOPTION OF AMENDMENTS TO TRANSFER OF OWNERSHIP AND PREPAYMENT REGULATIONS – ITEM 9C

Philip Espinosa moved and Robert Tighue seconded. Approval of the proposal of amendments, repeal and new rules to the Agency's rules governing transfers of ownership and prepayment at N.J.A.C. 5:80-5.1 et seq. in substantially the form attached hereto. Authorization for the Executive Director, the Administrative Practice Officer, and/or other staff, as appropriate, in consultation with the Attorney General's office, to prepare and submit a proposal notice substantially in the form attached hereto to the Office of Administrative Law (OAL) to be published in the New Jersey Register and otherwise distributed for a 60-day public comment period.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

CAPITAL MARKETS

HMFA #07681 – ARGUS ELLISON DEVELOPMENT, HMFA #07680 – NEW YORK AVENUE – APPROVAL OF AMENDMENTS TO CONDUIT BOND DOCUMENTS – ITEM 10A

Philip Espinosa moved and Paulette Sibblies Flagg seconded. Approval of the attached Resolution Authorizing and Directing the Execution and Delivery of Amendments to the Funding Loan Agreements of the Agency's Multifamily Conduit Revenue Note Issuances: Argus Ellison Development, 2023-3A and 3B and New York Avenue Apartments, Series 2022-8 and authorizing other matters in connection therewith (the "Resolution").

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

HMFA #07863 – BRUNSWICK VILLAGE – APPROVAL OF CONDUIT BOND DOCUMENTS – ITEM 10B

Diane Johnson moved and Robert Tighue seconded. Approval of the attached Resolution Authorizing and Directing the Execution, Delivery, Issuance and Sale of the New Jersey Housing and Mortgage Finance Agency's Multifamily Conduit Revenue Bonds (Brunswick Village Project), Series 2025B-1 and Series 2025B-2 under the Agency's Multi-Family Conduit Bond Program, in a principal amount not to exceed $30,492,000, authorizing and approving the execution and delivery of two Trust Indentures and Related Instruments, and authorizing other matters in connection therewith (the "Resolution").

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

APPROVAL OF CONDUIT PROGRAM TRUSTEE – ITEM 10C

Paulette Sibblies Flagg moved and Philip Espinosa seconded. Approval is requested of the Agency's appointment of **U.S. Bank** as Trustee and/or Fiscal Agent for the Agency's Multi-Family Conduit Bond Program.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

DELINQUENT ASSETS

HMFA #333 – VILLA BORINQUEN – APPROVAL OF A DECLARATION OF DEFAULT– ITEM 11A

THIS ITEM HAS BEEN PULLED FROM THE AGENDA

OTHER BUSINESS

APPROVAL OF REVISIONS TO THE MOU FOR THE AFFORDABLE HOUSING GAP SUBSIDY PROGRAM - ITEM 12A

Philip Espinosa moved and Robert Tighue seconded. Approval to execute an amendment to the Memorandum of Understanding (MOU) with the Department of Community Affairs, Division of Recovery and Mitigation (DCA/DRM), for the Affordable Housing Gap Subsidy Program (AHGS), to transfer up to $4 million in funds allocated from the United States Department of the Treasury's Coronavirus State and Local Fiscal Recovery Fund (SLFRF) to the Urban Preservation Program (UPP). Authorization for the Executive Director, Chief of Multifamily Programs and the Chief of Legal and Regulatory Affairs to approve any amendments or to correct errors in the MOU, so long as such amendments do not result in a change in policy or implementation of the MOU. Any amendments that would change the underlying policy or implementation of the MOU the form in which it is presented at this meeting shall remain subject to Agency Board approval.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

APPROVAL OF REVISIONS TO THE MOU FOR THE FORECLOSURE INTERVENTION FUND PROGRAM - ITEM 12B

Philip Espinosa moved and Paulette Sibblies Flagg seconded. Approval to amend the Memorandum of Understanding ("MOU") with the New Jersey Department of Community Affairs, Division of Recovery and Mitigation ("DCA/DRM"), for the Urban Foreclosure Intervention Fund ("FIF"), to transfer up to $20 million in funds allocated from the United States Department of the Treasury's Coronavirus State and Local Fiscal Recovery Fund (SLFRF) to the Urban Preservation Program (UPP). Authorization for the Executive Director, Chief of Multifamily Programs and the Chief of Legal and Regulatory Affairs to approve any amendments or to correct errors in the MOU, so long as such amendments do not result in a change in policy or implementation of the MOU. Any amendments that would change the underlying policy or implementation of the MOU the form in which it is presented at this meeting shall remain subject to Agency Board approval.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

APPROVAL OF REVISIONS TO THE MOU FOR THE URBAN PRESERVATION PROGRAM - ITEM 12C

Diane Johnson moved and Paulette Sibblies Flagg seconded. Approval to execute an amendment to the Memorandum of Understanding ("MOU") with the New Jersey Department of Community Affairs, Division of Recovery and Mitigation ("DCA/DRM"), for the Urban Preservation Program (UPP). Authorization for the Executive Director, Chief of Multifamily Programs and the Chief of Legal and Regulatory Affairs to approve any amendments or to correct errors in the MOU, so long as such amendments do not result in a change in policy or implementation of the MOU. Any amendments that would change the underlying policy or implementation of the MOU the form in which it is presented at this meeting shall remain subject to Agency Board approval.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

APPROVALTO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH DCA - ITEM 12D

Diane Johnson moved and Philip Espinosa seconded. Approval of and authorization for the New Jersey Housing and Mortgage Finance Agency ("Agency") to enter into a Memorandum of Understanding ("MOU") by and between the New Jersey Department of Community Affairs ("DCA") and the Agency in consultation with the Office of the Attorney General, in order to transfer Twenty-Seven Million Dollars ($27,000,000) from the Affordable Housing Trust Fund to the Multifamily Rental Housing Production Fund. Authorization for the Executive Director to execute and deliver the MOU, provided that the Executive Director is hereby authorized, with the advice of the State Attorney General, to make such changes and insertions to and omissions from such form of the MOU as the Executive Director may deem appropriate. Authorization for the Executive Director, in consultation with the Office of the Attorney General, to take any and all actions necessary and execute any and all documents necessary to effectuate the terms of the MOU between the DCA and the Agency.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

APPROVAL OF A RESOLUTION OF APPRECIATION FOR BRUCE YELLIN- ITEM 12E

Diane Johnson moved and Paulette Sibblies Flagg seconded.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

Alex Vlamis & Brendan Watson from the Barclays Capital will presented on the December 2024 Pooled Bond Issuance

MOTION TO ADJOURN

Diane Johnson moved and Paulette Sibblies Flagg seconded a Motion to Adjourn at 11:16 am.

Aye – Janel Winter, Robert Tighue, Paulette Sibblies Flagg, Eric Kaufmann, Philip Espinosa, Diane Johnson
Nay – None
Abstained- None

State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO BOX 800
TRENTON, NJ 08625-0800

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lieutenant Governor

JACQUELYN A. SUÁREZ
Commissioner

December 9, 2024

Melanie R. Walter
Executive Director
New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Avenue
Trenton, New Jersey 08611

Dear Executive Director Walter:

Please accept this letter as formal notification that Department of Community Affairs Assistant Commissioner Janel Winter will serve as my designee, and Chief of Staff Kia A. King will serve as my alternate designee on the New Jersey Housing and Mortgage Finance Agency Board. They are authorized to represent me in my absence and will have voting rights on behalf of myself and the Department of Community Affairs.

If you have any questions, please do not hesitate to call my office at 609-913-4800.

Sincerely,

Jacquelyn A. Suárez

Jacquelyn A. Suárez
Commissioner

State of New Jersey
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
PO BOX 080
TRENTON, NJ 08625-0080

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

MATTHEW J. PLATKIN
Attorney General

January 27, 2023

Lt. Governor Sheila Y. Oliver, Chair
New Jersey Housing and Mortgage Finance Agency
P.O. Box 18550
Trenton, NJ 08625

Dear Lieutenant Governor Oliver:

I am writing to appoint my designee to serve on the board of the New Jersey Housing and Mortgage Finance Agency (the "Agency").

I hereby appoint Aimee Manocchio Nason, Deputy Attorney General as my designee to serve on the board of the Agency. DAG Manocchio Nason is authorized to represent me in my absence at the meetings of the Agency, to vote in my stead, and to otherwise act on my behalf. In the event of DAG Manocchio Nason's absence, Philip Espinosa, Deputy Attorney General is authorized to represent me in my absence at the meetings of the Agency, to vote in my stead, and to otherwise act on my behalf. In the event of the absence of both DAG Manocchio Nason and DAG Espinosa, Jonathan Peitz, Deputy Attorney General is authorized to represent me in my absence at the meetings of the Agency, to vote in my stead, and to otherwise act on my behalf.

Sincerely,

Matthew J. Platkin
Attorney General

c: Michael T.G. Long, Director, Division of Law
Sudha Raja, Deputy Chief of Staff, Division of Law
Aimee Manocchio Nason, Deputy Attorney General
Philip Espinosa, Assistant Attorney General
Jonathan Peitz, Deputy Attorney General
Jonathan Garelick, Chief of Staff
Melanie R. Walter, Executive Director, NJHMFA

PHIL MURPHY
Governor

SHEILA OLIVER
Lt. Governor

State of New Jersey
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF BANKING
PO BOX 040
TRENTON, NJ 08625-0040

TEL (609) 292-7272
FAX (609) 292-5461

MARLENE CARIDE
Commissioner

RICHARD MUMFORD
Acting Director of Banking

January17, 2020

Charles A. Richman, Executive Director
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
PO Box 18550
Trenton, NJ 08650

Re: **NJ HMFA Board Meeting Designee**

Dear Mr. Richman:

My designee for the New Jersey Housing Mortgage and Finance Agency Board meetings is Paulette Sibblies-Flagg of the Division of Banking.

Ms. Sibblies-Flagg can be reached at paulette.sibblies-flagg@dobi.nj.gov, telephone (609) 940-7347.

Very truly yours,

MCaride

Marlene Caride
Commissioner

cc: Richard Mumford, Acting Director of Banking
Paulette Sibbles-Flagg, Division of Banking

State of New Jersey
Office of the State Treasurer
PO Box 002
TRENTON NJ 08625-0002

PHILIP D. MURPHY
Governor
Sheila Y. Oliver
Lt. Governor

Elizabeth Maher Muoio
State Treasurer

November 29, 2022

Melanie Walter, Executive Director
NJ Housing and Mortgage Finance Agency
637 South Clinton Avenue
PO Box 18550
Trenton, NJ 08650

Dear Executive Director Walter:

I hereby designate Robert Tighue, Department of Treasury to act as my permanent designee at all the meetings of the New Jersey Housing and Mortgage Finance Agency. Anthony Longo, Department of Treasury will be my back-up should Robert not be available to attend.

Sincerely,

Elizabeth Maher Muoio
State Treasurer

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

State of New Jersey
Department of Human Services

P.O. BOX 700
TRENTON, NJ 08625-0700

SARAH ADELMAN
Acting Commissioner

April 9, 2021

Melanie R. Walter
Executive Director
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
PO Box 18550
Trenton, NJ 08650-2085

Dear Ms. Walter,

I am writing to update the Department of Human Services' backup staff for the New Jersey Housing and Mortgage Finance Agency Board. As Acting Commissioner, I will continue to represent the Department at these meetings. The Department's first and second backups are:

Elisa Neira
Deputy Commissioner
Elisa.Neira@dhs.nj.gov
609-984-5550

Eric Kaufmann
Director of Special Projects
Eric.Kaufmann@dhs.nj.gov
609-575-4187

Mailing address:
NJ Department of Human Services
PO Box 700
Trenton, NJ 08635-0700

Please let me know if you have any questions or need further information. Thank you.

Sincerely,

Sarah Adelman
Digitally signed by Sarah Adelman
Date: 2021.05.20 16:05:56 -04'00'

Acting Commissioner

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF UPDATES TO THE PARTICIPATING LENDERS GUIDE

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

.

Laura Shea
Assistant Secretary

Exhibit A

Division of Single Family Programs **May 1, 2025**
Program Policy and Procedures for Participating Lenders

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Actions Requested:

1. Approval of revisions to the New Jersey Housing and Mortgage Finance Agency's Mortgage Program Policy and Procedures for Participating Lenders (the "Participating Lender's Guide") in the form attached hereto.

2. Authorization for the Executive Director to approve amendments to correct errors in or clarify the Participating Lender's Guide, so long as such amendments do not result in a change in policy or implementation of the documents as currently approved. Specifically, the Executive Director would be authorized to approve corrections in spelling, punctuation, and misnumbering. Any amendments that would change the underlying policy or implementation of the Participating Lender's Guide from the forms in which they are now approved shall remain subject to Agency Board approval.

Issues, Comments and Related Actions:

The Agency publishes guidelines for the purchase of consumer single family mortgage loans from participating private lenders in the Participating Lender's Guide. This document is subject to periodic review and revision in order to bring the Participating Lender's Guide into conformity with current mortgage industry standards.

The Agency is now requesting permission to amend the following:

1. First Generation Down Payment Assistance ("DPA") Gift of Equity and non-arm's length transactions: NJHMFA policy currently allows gifts of equity and non-arm's length transactions. Agency Staff recommends limiting the First Generation Down Payment Assistance program to exclude gifts of equity and non-arm's length transactions, in keeping with the intention of the program to help those with no intergenerational wealth that comes from family-owned property.
2. Homeward Bound Program Income Limits: The Homeward Bound Program income limits only apply when using DPA, in contrast to other Agency mortgage programs. Agency staff recommends applying program income limits even when DPA is not being used to achieve consistency with other programs and to better align with Agency mission of serving low-to-moderate income borrowers.
3. Credit Score and Debt to Income Ratio ("DTI"): To lower the risk of default and improve loan performance, Agency recommends disallowing multiple high-risk layers on a single loan. Alternatively, Agency recommends that borrowers with credit scores from 620 to 659 be capped at a 45% DTI ratio. This change aligns with best practices currently employed by other State Housing Finance Agencies and private mortgage lenders.

4. Expanding DPA Allowable Expenses: Agency recommends that DPA be permitted to be used to pay buyer real estate commissions, not to exceed the lesser of 1.5% of the sales price or the amount specified on the Buyer/Agency Agreement.

5. Minor adjustments and clarifications to language of the Participating Lender's Guide.

Attachments:

1. Summary list of Revisions to Participating Lender's Guide
2. Redline versions of Amended Chapters

Schedule of Lender's Guide Changes

Changes Effective May XXX, 2025

1-1:b Participating Lender Relationship, Initial Qualifications	Ch. 1, page 1	Amended Net Worth Requirement for Participating Lender, now citing specific base amount required. Must "maintain or exceed net worth of $1,000,000 as mandated by FHA."
1-1:l Appraisal Independence Standards	Ch. 1, page 1	Added Freddie Mac as Investor which policies and procedures must satisfy.
1-2:c,d Participating Lender Approval Process	Ch.1, page 3	Added sections c and d; language outlining Participating Lender obligations to Agency and insurer/investors upon execution of Mortgage Purchase Agreement ("MPA").
1-2:g Participating Lender Approval Process	Ch. 1, page 4	Added section g requiring all first mortgage Agency program loans to close in the name of the Lender. DPAs must close in the name of NJHMFA.
1-2:h Participating Lender Approval Process; Broker/TPO Business	Ch. 1, page 4	Added section h(i-v) addressing Lender obligations and responsibilities for compliance and liabilities for those who elect to work with a TPO Mortgage Broker.
1-3:a Maintaining Participating Lender Approval Status, Application and Mortgage Purchase Agreement	Ch. 1, page 5	Added language to and clarified sections a. "Application and Mortgage Purchase Agreement" and section; b. "Purchase and Sale of Mortgage Loans"; added c. and d. which outline compliance to terms and conditions. Changes and additions made to reflect language in the MPA and provide additional clarification on maintaining status as an approved Lender.
1-3:f(iii) Quality Control, NJHMFA Quality Control Reviews	Ch. 1, page 8	Amended language to include more specific requirements for Lenders to correct deficiencies and consequences for Lenders with above average defect rates. Circumstances where the Repurchase of the Mortgage Loan and/or penalties may be required were added.
1-3:g Annual Participation Fee	Ch. 1, page 9	Added "The fee is subject to change and will be listed in the Application."
1-3:o Records Retention	Ch. 1, page 10	Added more specific record retention requirement language consistent with MPA. Also added "…or seven (7) years of the date the Agency purchases the loan, *whichever is longer."* to language subjecting retention term requirements to GSE/insurer guidelines.
1-5:d Loan Reservation	Ch. 1, page 12	Replaced portal description "ILRS" with "Lender Portal"

		here and throughout the Guide. Added Agency requirement for Fannie Mae or MISMO XML File Submission. Also Added "Effective as July 1, 2025 NJHMFA will require Fannie Mae DU or MISMO XML Files at the time of initial Underwriting submission for all loans. Loans not submitted with Fannie Mae DU or MISMO XML will not move forward in the process and will be moved to "Submission Incomplete."
1-5:h(ii) Funding; Document Delivery	Ch. 1, page 13	Removed reference to 100% Financing Loans, as program is closed; clarified language.
1-5:i(iii) Sale of Loans to NJHMFA	Ch. 1, page 18	Added to definition of Seasoned Loan: "A Seasoned Loan is a closed loan that is being serviced by the originating Lender *and has had three or more payments made*." Added section 1-5:i(iii)1 to provide additional specific instructions for delivery of Seasoned Loans.
1-5:j(i)3 Trailing Documents	Ch. 1, page 19	Changed trailing document requirement from "original final" to "copy of final" title insurance policy and any required waivers, attorney's opinion, and /or applicable endorsements.
2-1:l Participating Lender: Obligations and Duty to Perform Under the MPA and the Participating Lender's Guide	Ch. 1, page 3	Added exemption language to section l pertaining to prohibiting sale or assignment of "high-cost home" loans or "high-cost mortgage" to the Agency: "CFPB loan exemption for HFAs applies to the ATR/QM test only and not to high-cost test."
2-1:o	Ch. 2, page 4	Added section o regarding compliance with OFAC screening requirements.
2-2:b Participating Lender Integrity, Responsibility, and Non-Discrimination.	Ch. 2, page 5	Expounded on language to better reflect the NJ Law Against Discrimination.
2-2:g Participating Lender Integrity, Responsibility, and Non-Discrimination.	Ch. 2, page 6	Added section/requirement for Lender to make all business and financial records relevant to the enforcement of provisions under the MPA available for inspection, copying, and auditing upon request of State, Federal or other entities with regulatory or prosecutorial authority. Also reiterates record retention policy stating adherence to requirements of investor/guarantor or 7 years, ***whichever is longer***.

3-1 NJHMFA-Specific Guidelines Applicable to All Products	Ch. 3, page 1	Added Note: "Regardless of seasoning status, NJHMFA will not approve or purchase loans previously denied by another investor. Exceptions may be considered on a case-by case basis."
3-1h NJHMFA-Specific Guidelines Applicable to All Products	Ch. 3, page 3	Added Section h Manual Underwrite to consolidate existing policy in a more organized fashion in the Guide.
3-1i NJHMFA-Specific Guidelines Applicable to All Products	Ch. 3, page 3	Added Section i Underground Oil Tanks to consolidate existing policy in a more organized fashion in the Guide.
3-2a NJHMFA First-Time Homebuyer Program; Program Overview	Ch. 3, page 4	Added Monthly DTI and credit score specifications. Also added "**In addition to the limits in this section, any loan with a representative credit score below 660 may not exceed 45% DTI."**
3-2b NJHMFA First-Time Homebuyer Program; Borrower Eligibility	Ch. 3, page 4	Added clause: "Borrowers must be individuals; Corporate or other entities are not allowed to utilize the First Time Homebuyer program. Trusts are not permitted."
3-2i NJHMFA First-Time Homebuyer Program; Borrower Eligibility	Ch. 3, page 5	Added "Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be First-Time Home Buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing…Any retained property must be evidenced to the satisfaction of NJHMFA that it is not a primary residence and will not be used as a primary residence post-closing."
3-3a: NJHMFA Homeward Bound Program	Ch. 3, page 10	Added: "Borrowers must have a minimum representative credit score of 620. In addition to any of the limits in this section, any loan with a representative credit score below 660 may not exceed 45% DTI." Also added specific GSE/Insurer maximum DTI ratios.
3-3b: NJHMFA Homeward Bound Program; Borrower Eligibility	Ch. 3, page 11	Language added: "Verification of housing expenses will be required for evidence of rent, mortgage, and other related expenses (e.g., copy of lease or tax bill). Borrowers must be individuals; Corporate or other entities are not allowed to utilize the Homeward Bound program. Trusts are not permitted."
3-3c: NJHMFA Homeward Bound Program; Property Eligibility	Ch. 3, page 11	Removed language pertaining to properties with underground tanks from list of **ineligible** properties.
3-3d(ii): NJHMFA Homeward Bound	Ch. 3, page 12	Removed #6. "Condo Warranty (FMFA0016)" from list of

Program; Property Eligibility		NJHMFA-specific documents NOT to be executed at closing for Homeward Bound Mortgage Loans.
3-5: Police and Firemen's Retirement System (PFRS) Mortgage Loan Program	Ch. 3, page 12	Added to Program Overview: "Borrowers must have a minimum representative credit score of 620. PFRS maximum DTI ratios: 36/45.
3-6: NJHMFA 100% Financing Program	Ch. 3, page 17	Removed Chapter. Program no longer available.
3-6a: NJHMFA HFA Advantage Loan Program; Program overview	Ch. 3, page 20	Added: "Borrowers must have a minimum representative credit score of 620. In addition to any of the limits in this section, any loan with a representative credit score below 660 may not exceed 45% DTI. HFA Advantage maximum DTI Ratio: No Front/50%".
3-6b(i): NJHMFA HFA Advantage Loan Program; Borrower Eligibility	Ch. 3, page 21	Added: "Trusts are not permitted."
3-6b(iii): NJHMFA HFA Advantage Loan Program; Borrower Eligibility		Added: "Verification of housing expenses will be required for evidence of rent, mortgage and other related expenses (e.g., copy of lease or tax bill)."
4-1a: Smart Start Program; Program Overview	Ch. 4, page 1	Added: "Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be First-Time Home Buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing. All other product-specific eligibility requirements must be met."
4-1b(ii): Smart Start Program; Borrower Eligibility; Credit Score	Ch. 4, page 2	Added: "Any loan with a representative credit score below 660 may not exceed 45% DTI."
4-1b(iv)2: Smart Start Program; Borrower Eligibility; Asset Limits	Ch. 4, page 2	Added (iv)2: "The Agency will use the highest balances on account statements. Excess withdrawals to get below the maximum is not acceptable. Paying down debt to avoid failing the asset test is not acceptable."
4-1b(xii)1(d): Smart Start Program; Borrower Eligibility; DPA Usage	Ch 4, page 4	Added to DPA Usage: "Buyer's realtor fees/commission, not to exceed the lesser of 1.5% of the sales price or the amount specified on the contract/Buyer Agency Agreement. The Borrower may pay real estate commissions in excess of the amount allowed to be paid by the DPA, however, properly sourced funds would need to be used. Any use of DPA to pay buyer's realtor fees or commission must be done in accordance with any applicable GSE requirements."
4-1b(xii)2(e): Smart Start Program; Borrower Eligibility; DPA Usage	Ch 4, page 4	Removed: "Real Estate Commissions. NJHMFA will continue to evaluate the ongoing industry changes to buyer real estate commissions."

4-2a: Smart Start Plus First-Generation Program; Program Overview	Ch. 4, page 5	Removed language: "If the property is located in an Urban Target Area, the First Time Homebuyer for the occupying borrowers for the Smart Start and First Generation DPA's are applicable."
4-2b (ii): Smart Start Plus First-Generation Program; Borrower Eligibility; Credit Score	Ch. 4, page 6	Added: "Any loan with a representative credit score below 660 may not exceed 45% DTI."
4-2b(vii): Smart Start Plus First-Generation Program; Borrower Eligibility; Non-arm's length transactions	Ch. 4, page 7	Added: "Transactions between family members are prohibited."
4-2d(i)4: Smart Start Plus First-Generation Program; Borrower Eligibility; DPA Usage	Ch. 4, page 9	Added to DPA Usage: "Buyer's realtor fees/commission, not to exceed the lesser of 1.5% of the sales price or the amount specified on the contract/Buyer Agency Agreement. The Borrower may pay real estate commissions in excess of the amount allowed to be paid by the DPA, however, properly sourced funds would need to be used. Any use of DPA to pay buyer's realtor fees or commission must be done in accordance with any applicable GSE requirements."
5: Agency Underwriting Parameters	Ch. 5, page 1	Added: "Participating Lender must notify the Agency via the Underwriting Transmittal of any loan level exception waiver or indemnification received from a GSE/Insurer."
5-1 d.(iv)	Ch. 5, page 2	Clarified language pertaining to GSE/Insurer guidelines to include any Agency guidelines/overlays.
5-2b: Credit Underwriting Guidelines; b(i-Iv) Monthly DTI	Ch. 5, page 5	Added specific DTI limits for first mortgage programs per GSE/Insurer Guidelines. Also added "With the exception of PFRS- In addition to any of the limits above, any loan with a representative credit score below 660 may not exceed 45% DTI."
5-2e(vi): Credit Underwriting Guidelines; New Employer	Ch. 5, page 7	Added: "Return to work is required prior to Agency loan approval. One paycheck cycle must be provided for loan approval."
5-2j: Credit Underwriting Guidelines; Seller Credit or Concession	Ch. 5, page 8	Added j.: Seller Credit or Concession: "Refer to GSE/Insurer guidelines. For gifts of equity check GSE/Insurer guidelines"
5-2:k.(iv) Credit Underwriting Guidelines; Credit Overlays	Ch. 5, page 9	Removed language requiring Borrower verification of payment arrangements with creditor.
5-2:k.(xiv) Credit Underwriting Guidelines; Credit Overlays; Tradelines	Ch. 5, page 10	Added: "The twelve (12) months of established history must already be reported on the credit report prior to submitting the loan to the Agency for approval. The accounts included cannot have been closed more than twelve (12) months (*amended from 6 months*) prior to loan application. Exceptions to permit use of closed

		tradeline or installment debt paid in full over twelve (12) months old may be permitted by NJHMFA, depending on length of account timeline and overall usage." Also added "verification of rental form can only be used when the landlord is a management company. If form is not available or landlord is someone other than a management company, a copy of a lease and twelve (12) months of cancelled checks or bank statements must be provided." Included list not to be included in the 2 minimum tradelines.
5-2:k.(xvi) Credit Underwriting Guidelines; Credit Overlays; New Employment	Ch. 5, page 11	Added section "New Employment".
5-3a: Credit Report; Credit Score Requirement	Ch. 5, page 11	Added: "Any loan with a representative credit score below 660 may not exceed 45% DTI."
5-5 Program Specific Underwriting Requirements	Ch. 5, page 13	Added: Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be first-time home buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing. All other product-specific eligibility requirements must be met, including all additional First Generation requirements for borrowers using the First Generation Smart Start DPA."
5-5 Program Specific Underwriting Requirements	Ch. 5, page 13	Clarified "all adults" to say "co-mortgagors, non-borrowing spouse and legal Domestic Partners." Included statement "Tax returns may be used for income documentation for non-borrower spouse."
5-5d(i)3 Program Specific Underwriting Requirements; PFRS	Ch. 5, page 13	Clarified language to require the Participating Lender to provide evidence that the Borrower has had one year of creditable service (amended from requiring action from Borrower). Added "and be actively contributing to the pension plan." Removed "by the date of loan closing." Added to Note: "MBOS statement provided must indicate twelve (12) months of creditable service by the date of the document."
6: Loan Reservation Policy and Loan Reservation Pipeline Management	Ch. 6, page 1	Replaced ILRS with Lender Portal throughout chapter (and Guide).
7-2j-Property Guidelines; Underground Oil Tanks	Ch. 7, page 2	Added "Underground Oil Tanks**:** This requirement does not pertain to above ground oil tanks or oil tanks located

		in the basement of the subject property. The Agency will not purchase a loan from a Lender if an oil tank is in the ground. If the oil tank was removed, the Agency requires evidence of removal from a licensed, certified contractor and an NFA (No Further Action) letter when applicable."
7-3a: Appraisal Reports and Requirements: General Requirements	Ch. 7, page 2	Added: "NJHMFA reviews appraisals for quality, scoring and reasonableness and may condition questionable values or other appraisal inconsistencies."
7-4b(v): Property Types and Classifications; Multiple Unit Dwellings	Ch. 7, page 6	Added: Register the property with the DCA on the DCA Service Portal at njdcaportal.dynamics365portals.us.
7-4c: Property Types and Classifications; Condominiums/Planned Unit Developments	Ch. 7, page 7	Clarified language to reiterate adherence to the respective underlying GSE/Insurer guidelines for the particular program as applicable and any NJHMFA overlays.
7-6b(i): Property Certifications, Inspections, Testing and Reports-Requirements; Flood Certification/Determination	Ch. 7, page 12	Changed the contact information that should be listed as insured on the Life-of-Loan (LOL) flood certificates.
8-4b: General Property Insurance Coverage; General	Ch. 8, page 8	Changed the contact information that should be listed as insured on all property insurance policies.
8-8a: Mortgagee Clause for Property and Flood Insurance; Mortgagee Clause	Ch. 8, page 17	Clarified clause to name NJHMFA as the lender, followed by "ISAOA/ATIMA" to be shown as the mortgagee.
9-10: Homeowner's Insurance Policy	Ch. 9, page 8	Updated the mortgagee clause with amended contact information.
10-3b(i): Servicing Procedures and Documents; Insurance and Insurance Policies; Homeowners Insurance	Ch. 10, page 2	Updated the mortgagee clause on all insurance policies.
10-6c(i) Conditions to Purchase	Ch. 10, page 5	Added: The Lender shall be required to Repurchase any Mortgage Loan that is selected for review and deemed not salable or insurable and/or deficiencies cannot be cured. Added list for which Loans may be selected for review. Also added language stating Lender may be subject to indemnifying the Agency for any losses on the loan, possible financial penalties and termination of

		MPA.
10-7b(xiii)1: Mortgage Loan Benchmarks; As of the Purchase Date	Ch. 10, page 10	Added section (xiii) to list of requirements "As of the Purchase Date" to mirror MPA language, requiring Loan to adhere to all applicable laws, regulations, rules, orders and guidance of State, Federal and/or any other jurisdiction that regulates the issuance of Mortgage Loans in the State. 1. Added to Applicable requirements as described above and under TILA-RESPA Integrated Disclosures ("TRID") and "Know Before You Owe" ("KBYO").
10-8a(v): Repurchase Process	Ch. 10, page 12	Added (v) "If an appeal or dispute is required, however, GSE/Insurer does not accept a repurchase appeal or dispute and does not rescind the repurchase demand, a repurchase demand will be forwarded to the Lender requiring Repurchase of the loan within five (5) business days of the demand receipt."
12-1a: Participating Lender Non-Compliance: Breach, Remedies and Repurchase: Participating Lender Non-Compliance that May Lead to Fees;	Ch. 12, page 1	Added (i) and (ii) Instructions on "Purchase Submissions" as set forth on applicable document checklist; and requirements for "Trailing Document Submissions".
12-1: Participating Lender Non-Compliance: Breach, Remedies and Repurchase: Participating Lender Non-Compliance that May Lead to Fees	Ch. 12, page 2	Added c. defines "Early Payment Default ("EPD")"; and d. Outlines "EPD Default Requirements and fees". Adds: "Note: Police and Fire loans are subject to the $2,000 EPD fee only and repurchase as applicable."
12-1d,e: Participating Lender Non-Compliance: Breach, Remedies and Repurchase: Participating Lender Non-Compliance that May Lead to Fees	Ch. 12, page 2	Adds d(ii) Additional Early Delinquency Requirements Pre- and Post-Purchase; and e. Early Payoff applicability; and e.(i) Early Payoff fee in accordance with "The full premium amount of 2.75 points of the purchased UPB." Added Notes: ***Note: An early payoff fee may not be passed on to the borrower and must be incurred by the Lender.*** ***Note: An EPO fee is not applicable to Police and Fire loans.***
12-2m: Participating Lender Non-Compliance that May Lead to Repurchase; Indemnification	Ch. 12, page 3	Added: "Any indemnification may cause repurchase of a loan and reimbursement of the DPA."

DEFINITIONS

Capitalized terms, and abbreviations used herein have the following meanings unless otherwise defined as relates to a particular Agency program.

ACQUISITION COST. The cost of acquiring a residence from the seller as a completed residential unit. Included in the calculation of Acquisition Cost are (i) all amounts paid (in cash or in kind) by or on behalf of the purchaser to or on behalf of the seller as consideration for the residence, (ii) the reasonable cost (irrespective of the source of funding) of completing an incomplete residential unit and (iii) the capitalized value (using a discount rate equal to the bond yield) of ground rent where a residence is purchased subject thereto. Excluded from the calculation of acquisition cost are (i) the usual and reasonable settlement costs, including title and transfer costs, title insurance, survey fees and other similar costs and (ii) the usual and reasonable financing costs, including credit reference fees, legal fees, appraisal expenses, "points" paid by the purchasers and other financing costs. "Usual and reasonable" costs include such costs only to the extent they do not exceed functionally equivalent costs where financing is not provided by a qualified mortgage bond issue. Also excluded from the calculation of acquisition cost is the value of services performed by the mortgagor and certain family members to complete the residence ("sweat equity") and the cost of land owned by the mortgagor for at least two years prior to the date construction of the residence began.

AGENCY or HMFA or NJHMFA. The New Jersey Housing and Mortgage Finance Agency.

AGENCY STAFF. Employees of the Agency's Division of Single Family Programs who are responsible for regular and assigned duties that relate to the programs set forth in this guide; this term also includes executive staff of the Agency given authority over this division.

ALTA. American Land Title Association.

AMI. Area Median Income. the household income for the median-or middle- household in a region as calculated by HUD.

ANNUAL HOUSEHOLD INCOME.

The aggregate gross annual income for all borrowers, co-borrowers and mortgagors, including non-borrowing spouses and domestic partners, all of whom are required to occupy the dwelling within 60 days of the Closing Date. Annual Household Income includes all sources of income as described in Chapter 3 of this guide. Annual Household Income review is required under the First Time Homebuyer first mortgage program.

APPLICABLE LAW. The laws, regulations, administrative rules, and official guidance of the United States of America, New Jersey, and/or any other jurisdiction that regulate the issuance of Mortgage Loans in the State, including, without limitation, the Participating Lender's ability to originate the financing; requirements of the Agency's funding sources upon assumption of the Mortgage Loans; and/or provide for consumer and/or investor protection in the advertisement, application, obtaining, and servicing of the Property financing. "Applicable Law" includes, but is not limited to, the laws set forth in Appendix.

AUS. Automated Underwriting System.

BOND or MRB or QUALIFIED MORTGAGE REVENUE BOND. A financing and investment vehicle used to finance single family housing, subject to the requirements set forth at Section 143 of the Code.

BORROWER. A natural person who applies and obtains for a Mortgage Loan to purchase or refinance an Eligible Property. Borrower also includes a natural person who applies for and obtains a Smart Start, or other DPA, Mortgage Loan. Business entities of any kind do not meet the definition of Borrower.

CBI OR CONFIDENTIAL BORROWER INFORMATION. Non-public personal information protected under the Gramm-Leach-Bliley Act and/or other Federal law.

CD. Closing Disclosure.

CFPB. Consumer Financial Protection Bureau.

CLOSING DATE. The date on which the documents evidencing and securing all of the Agency's financing for the Property are fully executed.

CLOSING DISCLOSURE. The Closing Disclosure replaces both the HUD-1 under RESPA, and the final Truth in Lending Disclosure under TILA. The Closing Disclosure provides a summary of the actual loan terms, the loan costs, other settlement costs, and additional closing disclosures.

CO-BORROWER. An individual who may, but need not have an interest in the property, who always signs the Mortgage Note, and in some cases, the Mortgage, and is equally responsible for the terms of said documents that he or she actually executed in the transaction.

CODE. The Internal Revenue Code of 1986, as amended, together with the regulations appurtenant thereto, letter rulings of the Internal Revenue Service and interpretations of the Code supplied by the Agency's bond counsel and courts of competent jurisdiction. In particular, Section 143 of the Code sets forth basic requirements for Qualified Mortgage Revenue Bonds.

CO-MORTGAGOR. An individual, with an interest in the property, who always signs the Mortgage, and in some cases, the Mortgage Note, and is equally responsible for the terms of said documents that he or she actually executed in the transaction.

COMPLIANCE PACKAGE. Documentation provided to Agency Staff for underwriting a First Time Homebuyer Loan.

CO-SIGNER. An individual who signs the Mortgage Note, but not the Mortgage, with the Mortgagor and is equally responsible for the terms of the Mortgage Loan but does not have an interest in the Property.

DCA. The State of New Jersey, Department of Community Affairs.

DCA GREEN CARD. A certificate of inspection issued by the DCA's Bureau of Housing Inspection.

DELEGATED PARTICIPATING LENDER. A Participating Lender who has FHA Direct Endorsement Authority.

DELEGATED UNDERWRITER. An employee or owner of Participating Lender who meets the delegated underwriting criteria established by the Agency for delegated underwriting and who is authorized by the Agency to underwrite and to make underwriting decisions about loans to be purchased by the Agency without prior Agency approval or re-underwriting except for issues related to Tax and Program Compliance.

DELIVERY DATE. With respect to any Mortgage Loan sold or offered for sale to the Agency by the Participating Lender under this Agreement, the date on which all documents and instruments required under the Participating Lender's Guide to be delivered by the Participating Lender to the Agency in connection with the sale of the Mortgage Loan have been delivered to the Agency or to any person, firm or corporation designated by the Agency to act on its behalf.

DESIGNATED AGENCY STAFF. Upper management staff authorized by the Executive Director and NJHMFA Board to grant waivers to Participating Lenders.

DIRECT ENDORSEMENT UNDERWRITER. A Participating Lender's employee who has FHA Direct Endorsement Authority.

DOCUMENT CHECKLIST. A form required by NJHMFA for loan submissions.

DOCUMENT CUSTODIAN. The Agency-approved entity entrusted with the storage and maintenance of Mortgage Loan transaction Collateral Documents.

DODD-FRANK ACT. Fully known as the Dodd-Frank Wall Street Reform and Consumer Protection Act. A U.S. federal law enacted in 2010 to create financial regulatory processes to limit risk by enforcing transparency and accountability in the banking industry.

~~DPA. Down Payment Assistance~~DOWN PAYMENT ASSISTANCE (DPA). Agency provides second Mortgage Loans to qualified, eligible first-time homebuyers. PFRS is ineligible for NJHMFA DPA second Mortgage Loans.

DTI. Debt to income ratio.

DU. Desktop Underwriting System.

DWELLING UNIT. A single, unified combination of rooms that is designed for residential use for one family.

EARLY PAYMENT DEFAULT (EPD). EPD is defined as a first lien loan closed in the Lender's name and delinquency occurs when any of the first six (6) mortgage payments is sixty (60) calendar days or more delinquent.

EARLY PAYOFF (EPO). EPO is defined as any loan sold by a Participating Lender to the Agency and the loan is paid in full within one hundred eighty (180) days (excluding the purchase date, but including the day of payoff) following the purchase by the Agency.

ELIGIBLE PROPERTY. A permanently affixed lawful residential building, together with the land or common interest on in the land on which and common areas in which the building is located, in the State of New Jersey which is (i) an existing Single Family Dwelling (ii) a newly constructed Single Family Dwelling that has never been occupied. Properties may be under fee simple, condominium or cooperative owners. Properties must not exceed the Agency's maximum permitted purchase price. A property shall not qualify as an Eligible Property if any portion is used or intended to be used for non-residential purposes. A building in which the mortgagor cannot legally occupy a unit within sixty days of closing shall not qualify as an Eligible Property.

~~EPD. Early payment default. EPD is applicable to the greater of A) the first four (4) payments due to the Agency following purchase of the loan from Participating Lender ("post-purchase payments"), and B) the requirements of the underlying investor/insurer (FHA/VA/USDA/Fannie Mae/Freddie Mac). If any of the first four post-purchase payments becomes 60 days or more delinquent or meets the underlying Investor/insurer's definition of EPD, the loan shall be in EPD and will result in the Lender repaying 2.75 points plus $2,000. All EPD loans may trigger a quality control review by the Agency's Audit Division.~~

ESCROWS. Payments required to be made under the terms of a Mortgage Loan by Mortgagor and to be paid into an escrow account to cover expenses, which shall include, but not be limited to, all taxes and special assessments, as well as hazard and flood insurance premiums, and mortgage insurance premiums.

FANNIE MAE. Federal National Mortgage Association (FNMA).

FEDERAL GOVERNMENT. The national government of the United States of America.

FHA. Federal Housing Administration.

FHA DIRECT ENDORSEMENT AUTHORITY. FHA approval of a Participating Lender and/or underwriter to participate in that agency's Single Family Direct Endorsement Program. This authority allows for loan origination, underwriting, and closing of FHA-insured loans without prior approval from HUD.

FIRM COMMITMENT TO MORTGAGOR. A letter from the Participating Lender to a prospective Mortgagor, certified as to authenticity by a duly authorized officer of the Participating Lender, which, for a specified period of time, commits the Participating Lender to make a Mortgage Loan and state loan amount, loan term, loan interest rate, the particular residence that is being mortgaged, and any conditions imposed by the Agency.

FIRST-TIME HOMEBUYER. A borrower who has not had an ownership interest in their primary residence during the previous three (3) years from the closing date. For the First-Time Homebuyer Program, the term First- Time Homebuyer includes all borrowers and mortgagors.

FREDDIE MAC. Federal Home Loan Mortgage Corporation (FHLMC).

GINNIE MAE. Government National Mortgage Association (GNMA).

GSA Exclusionary List. The United States General Services Administration (GSA) list of parties that cannot perform business with the Federal Government.

~~GSE. Government Sponsored Entity~~GOVERNMENT SPONSORED ENTITY (GSE). A governmental entity such as Freddie Mac and Fannie Mae established to enhance the flow of credit to specific sectors of the U.S. economy while reducing risk of capital losses to investors.

GUIDE or PARTICIPATING LENDER’S GUIDE. This guide, as it may be amended from time to time by the NJHMFA, containing the rules governing the delivery of Mortgage Loans purchased by the NJHMFA from the Participating Lender under the Mortgage Purchase Agreement.

HOMEBUYER PROGRAM. First-loan mortgage products, including First-Time Homebuyer, Homeward Bound, Stay at Home and any and all existing or future first-loan product(s) offered by NJHMFA and financed through MBS or MRB funding. Police and Fire Retirement System (PFRS) loans are not included.

HOMEBUYER LOANS. First-loan mortgages produced under the Homebuyer Program.

HUD. United States Department of Housing and Urban Development.

HUD LDP LIST. HUD Limited Denial of Participation list.

INSURERS. Includes FHA Insured Mortgage Loans, USDA Guaranteed Mortgage Loans, VA Guaranteed Mortgage Loans, and any Private Mortgage Insurers (PMI).

INTERNET LOAN RESERVATION SYSTEM or ~~ILRS~~Loan Portal. The NJHMFA’s internet-based loan registration system through which Sellers register their loans with the NJHMFA, track status, and receive approval to proceed to loan closing. The system is also known as the Lender Portal.

INTERIM SERVICING. Servicing of Mortgage Loans for the period beginning with the Closing Date and running through the first payment due to the Agency after the Purchase Date, and subject to the requirements of Applicable Law.

IRS. The Internal Revenue Service of the United States Department of the Treasury.

LE. Loan Estimate. The Loan Estimate replaces both the GFE under RESPA and the initial Truth in Lending Disclosure under TILA. The Loan Estimate provides a summary of the contemplated loan terms, estimated loan costs, other estimated closing costs, and additional application disclosures. According to the CFPB, consumers will be able to utilize the Loan Estimate when comparing different loans.

LEAP. FHA's Lender Electronic Assessment Portal.

LENDER BULLETIN. Periodic communications posted by NJHMFA to provide Agency or Program announcements.

LOAN GUARANTY CERTIFICATE or LGC. VA Form 26-1899, or equivalent successor, evidencing guaranty of mortgage loans by the VA.

LOAN NOTE GUARANTEE or LNG. Form RD 1980-17, or equivalent successor, evidencing guaranty of mortgage loans by the USDA.

LTV or LOAN-TO-VALUE. The percentage ratio comparing the unpaid principal balance of a Mortgage Loan to the appraised value or sale price (whichever is lower) of the Property.

MBS. Mortgage-backed securities, which are a financing and investment vehicle used to finance single family housing and that are subject to the requirements of a guarantor.

MI. Mortgage insurance, whether from a private or public provider.

MIC. Mortgage Insurance Certificate. The FHA-issued mortgage insurance certificate, which demonstrates that a Mortgage Loan is insured by the FHA.

MORTGAGE. The instrument, which is recorded in public record, which secures the Note by way of an interest in the Property.

MORTGAGE LOAN. A purchase money or refinance loan evidenced by a note and secured by a first priority mortgage lien on the Property or, in the case of an Agency subordinate assistance loan, a second priority mortgage lien on the Property.

MORTGAGE NOTE or NOTE. The instrument by which the Mortgagors and/or Borrowers agree to repay the Mortgage Loan financing subject to this Guide, and which is secured by the Mortgage.

MORTGAGE PURCHASE AGREEMENT (MPA). That certain agreement between the NJHMFA and the Participating Lender to which the NJHMFA agrees to purchase from Participating Lender Mortgage Loans in accordance with the Participating Lenders Guide and applicable Term Sheet.

MORTGAGE SERVICING AGREEMENT. An agreement between the NJHMFA and servicer under which the servicer agrees to service Mortgage Loans purchased by the Agency in connection with the Mortgage Program. Note that the Mortgage Servicing Agreements are in place for loan portfolios that predate the current requirement that all servicing is acquired by the NJHMFA as part of the mortgage purchase. When the Agency is master servicer of a loan portfolio, the subservicers of such portfolios are subject to the terms and conditions of a subservicing agreement with the NJHMFA.

MORTGAGOR. The person or persons who executed the mortgage instrument securing a Mortgage Loan together with the maker or makers of the note evidencing said Mortgage Loan (if any such person is not the maker of the note), all of whom shall be natural persons. The term "Mortgagor" shall also include natural persons who have assumed the obligations of a Mortgagor. The term “Mortgagor” does not include a co-signer.

MRB or BOND or QUALIFIED MORTGAGE REVENUE BOND. A financing and investment vehicle used to finance single family housing, subject to the requirements set forth at Section 143 of the Code.

MUD or MULTIPLE UNIT DWELLING. An existing building that consists of two, three, or four residential Dwelling Units, one of which must be occupied by the Mortgagor.

PARTICIPATING LENDER (“LENDER”). An originating lender approved by the NJHMFA who has executed a Mortgage Purchase Agreement, completed all necessary training and is compliant with all required policies and procedures required under same.

PARTICIPATION APPLICATION. Any application by which the Participating Lender requests participation in the Agency's Single Family Mortgage Programs for a given year and offers to sell Mortgage Loans to the Agency under such programs.

PFRS. The State’s Police and Firemen’s Retirement System.

PFRS MORTGAGE LOAN PROGRAM. The Agency’s loan program for members of the PFRS.

PREVAILING TIME. The time of day as officially recognized by the State for a particular date (e.g., Eastern Standard Time or Eastern Daylight Savings Time).

PRIOR APPROVAL. The written approval given by the NJHMFA after review of documents evidencing compliance with the Mortgage Loan eligibility and processing requirements of this Guide; upon which the Participating Lender may issue a Firm Commitment to Mortgagor.

PROPERTY. The real property, and all permanent fixtures thereon and appurtenances thereto, located in the State of New Jersey, purchased with and securing the Mortgage Loan.

PROPERTY VALUE. The lower of (i) the appraised value of the Property as of the Closing Date, or (ii) the purchase price paid for the property by Mortgagor.

PUD. Planned Unit Development.

PUD ENDORSEMENT. An ALTA title insurance endorsement for a planned unit development, currently codified as ALTA 5.

PURCHASE DATE. The date upon which payment is made to the Participating Lender with respect to any Mortgage Loan sold to the Agency by the Participating Lender under the Mortgage Purchase Agreement.

PURCHASE PACKAGE. Loan file submitted by the Participating Lender with required documentation for NJHMFA to purchase.

QUALIFIED MORTGAGE REVENUE BOND. A financing and investment vehicle used to finance single family housing, subject to the requirements set forth at Section 143 of the Code

RECAPTURE TAX. The Code requirement applicable to Mortgage Revenue Bond funded Mortgage Loans closed on or after January 1, 1991, with tax exempt bond financing are subject to a repayment of the interest savings to the IRS if a property is sold within the first nine (9) years after closing. For more complete information, see the discussion of Recapture on the Agency's website.

REPURCHASE. When NJHMFA demands that a Participating Lender buy back a loan.

RESERVATION CONFIRMATION. A document from the ~~ILRS~~ Lender Portal that acknowledges the registration of a Mortgage Loan with the Agency.

SERVICER. A business that collects mortgage payments from borrowers and manages the borrower's Escrow.

SINGLE FAMILY DWELLING. A residential building designed for use by one family, or a unit of a Multiple Unit Dwelling designed for residential use by one family, the owner of which unit owns an undivided interest in the underlying real estate. The term Single Family Dwelling may also include a single unit condominium or factory-made housing that is permanently affixed to real property. The term also includes property, owned in common with others, which is necessary or contributes to the use and enjoyment of such a structure or unit.

STATE OF NEW JERSEY or STATE. The State of New Jersey in its capacity as a body politic including its constituent departments, agencies, authorities and other official bodies; should the context require it, State and State of New Jersey are a geographical reference to all of the territory included within the legal and political boundaries of the State.

STATEWIDE. The geographical designation for loans originated throughout the state but outside of the Target areas.

SUB-SERVICER. Has the capacity to subservice for Lender the residential mortgage loans currently in Lender's closed loan portfolio. Lender is or will be either (1) the owner of the Mortgage Loans or (2) the owner of the servicing rights to the Mortgage Loans.

TARGET AREA (also, "Eligible Neighborhood" or "Urban Target Area"). Any of the geographical areas of the state which are eligible in accordance with Section 103A of the Internal Revenue Code of 1954 and Section 146 of the Internal Revenue Code of 1986, as amended, and the regulations thereunder.

TERM SHEET. The written terms and conditions prepared by the NJHMFA for each of its loan products. The Term Sheets describe the loan type and loan parameters and conditions that must be met for the loan to be purchased by the Agency.

TRAILING DOCUMENTS. Documents concerning a Mortgage Loan that due to their nature are likely to become available or be issued after submission of the Purchase Package, and perhaps after the Purchase Date, but which are essential components of the Loan File. Timely submission of Trailing Documents in form and content acceptable to the Agency is a condition subsequent of the Agency's agreement to purchase that Mortgage Loan. Examples of Trailing Documents include recorded copies of deeds and Mortgages, and servicing transfer letters; complete checklist(s) of trailing documents for the loan programs set forth in this Participating Lender Guide are available on the Agency's website.
TRID. TILA-RESPA Integrated Disclosure Rule. The new rule issued by the CFPB that combines certain disclosures that consumers receive in applying for and closing on a residential mortgage loan, including disclosures required under the Truth in Lending Act (TILA) and the Real Estate Settlement Procedures Act (RESPA). The new disclosures are generally referred to as the "combined" or "integrated" disclosures. The final rule mandates the use of two disclosures, the three-page Loan Estimate (which replaces the Good Faith Estimate (GFE) and the initial Truth in Lending Disclosure) and the five-page Closing Disclosure (which replaces the HUD-1 and final Truth in Lending Disclosure). The rule became effective October 3, 2015

UFMIP. FHA Up Front Mortgage Insurance Premium.

UNDERWRITING FILE. The documents and exhibits necessary to verify income, assets, credit, and to otherwise demonstrate that a specific Agency product may finance a particular purchase transaction.

USCIS. United States Citizenship and Immigration Services within the United States Department of Homeland Security.

USDA. United States Department of Agriculture Rural Development.

VA. United States Department of Veterans Affairs~~.~~.

VETERAN'S EXEMPTION. An exemption from the three (3) year ownership rule for First-Time Homebuyers. Qualified veterans must have been retired, discharged, or released from duty under conditions other than dishonorable, and active-duty military borrowers must have completed their initial military obligation. Acceptable evidence of eligibility includes a copy of the veteran's Certificate of Eligibility or Title 38 letter and a DD214 or Statement of Service. Veterans cannot retain an existing primary residence.

RULES OF CONSTRUCTION.

(a) All warranties, representations, requirements, and terms of the Participating Lender Guide are incorporated into the MPA by reference, as if fully set forth herein.

(b) To the degree possible, this Agreement, the Lender Guide, and the Mortgage Programs' respective Term Sheets and guidelines shall be read in a complementary fashion. However, to the extent that there is a conflict of terms, this Agreement shall take precedence over all the rest, with the exception of Lender Bulletins released after publication of the Guide. The requirements of the Guide shall prevail if there is a conflict between the Lender Guide and the Term Sheets or Guidelines. The Agency reserves the right to publish Term Sheets as applicable. ~~To the degree possible, the MPA, the Participating Lender Guide and the Mortgage Programs' respective Term Sheets and guidelines are to be read in a complementary fashion. However, to the extent that there is a conflict of terms, the MPA shall take precedence over all the rest, with the exception of Lender Bulletins released after publication of this Guide. As to conflicts between the Participating Lender Guide and the Terms Sheets or guidelines, the requirements of the Participating Lender Guide shall prevail.~~

(c) "Must," "shall," and/or "will," even if not capitalized, establish a mandatory requirement; "can," may," and/or "might," whether or not these terms are capitalized, establish a permissive action.

(d) All terms in the MPA, including defined terms, may be used in the singular or plural, as the context requires.

Chapter 1

PARTICIPATING LENDER RELATIONSHIP

1-1: INITIAL QUALIFICATIONS

To be approved as a Participating Lender for the first time, the applicant must meet the following qualifications:

a. Authorization to Do Business

Be authorized to do business in the State of New Jersey and be federally chartered and/or licensed by the State as a mortgage lender. Applicant cannot be on a State or Federal list that prohibits the Participating Lender from conducting business with State or Federal governmental entities.

b. Net Worth Requirement

~~Have a net worth equal to or in excess of requirements mandated by FHA or Fannie Mae, whichever is higher.~~Have and continue to maintain or exceed net worth of $1,000,000.00 as mandated by FHA.

c. Insurance Requirements

Have fidelity bond and mortgage and errors and omissions coverage in an amount at least equal to $500,000.00 and provide a certificate from the insurance carrier naming the New Jersey Housing and Mortgage Finance Agency as a party in interest to the bond, or the policy or bond shall name the New Jersey Housing and Mortgage Finance Agency as one of the parties insured.

d. Experienced Staff

Have a staff with demonstrated ability and experience in residential mortgage loan origination, processing, underwriting, closing, post-closing, and Interim Servicing at all locations where Agency Mortgage Loans are offered. Lenders that are applying to re-enter the program or have senior management with prior NJHMFA experience must have a proven track record with NJHMFA in all aspects of mortgage loan origination. Participating Lenders must provide the Agency with resumes for senior management and any staff for whom Delegated Underwriting status is sought.

e. Required Purchase Agreements

Have executed and returned to the Agency a Mortgage Purchase Agreement for the calendar year.

f. Lender's Quality Control Plan

Provide a written Quality Control Plan for loan origination, along with approvals by all applicable GSEs or Insurers. The plan should be administered independently from the origination process.

g. Insurer Approvals
Have appropriate approval for the insurer/guarantor for loan to be originated (i.e., FHA. VA. USDA or individual private mortgage insurers), including FHA Direct Endorsement and VA Automatic Approval.

h. Origination Capacity
Be eligible to and have staff qualified to originate loans under all NJHMFA single family loan programs that they elect and are qualified to originate.

Moreover, the Participating Lender shall advise the Agency, upon the submission of its annual renewal application, of the Agency programs they intend to participate in for the coming renewal period. A Participating Lender will be prohibited from participating in any programs then existing but not selected in the application until such time as their next annual renewal application is submitted, at which time the Participating Lender may seek to opt in or out of Agency programs for that coming year. This limitation shall not apply to any new program during the first calendar year of availability. In that case, Participating Lenders will be given an opportunity to opt in to such new program as the Agency makes it available, provided the Participating Lender then has the qualified staff and other resources necessary to participate in such program. For subsequent renewals, the new program will be subject to the same opt in/opt out options as all other programs subject to this Guide.

i. Performance History
Have a past history of satisfactory performance with the NJHMFA, other mortgage lenders, and insurers demonstrating the ability to meet obligations of NJHMFA lender participation. These criteria will be demonstrated by the NJHMFA's prior experience with the Participating Lender, if any, and that of the Participating Lender's references and other business partners as the Agency may contact. Any application previously denied or terminated by NJHMFA shall not be eligible to reapply for 24 months.

j. Office in the State
Have a physical office located in New Jersey at which the general public may make loan application and from which the Participating Lender has originated loans for a period of not less than 12 months immediately preceding the application date.

k. Neighborhood Watch
FHA 2 year compare ratio should not exceed 120% of that agency's national, State, or local regional office.

l. Appraisal Independence Standards

Must provide a copy of the Participating Lender's appraiser independence policies and procedures which shall, at a minimum, satisfy Freddie Mac and Fannie Mae Appraiser Independence Requirements.

m. Hiring Procedures

Provide a copy of the Participating Lender's hiring procedures for ~~checking all~~conducting a background and prior employment check for all employees, including management, involved with the origination of mortgage loans against the GSA Exclusionary List and HUD LDP list.

n. Loan Originator Compensation Policy

Provide a copy of the Participating Lender's policy regarding the compensation of all staff considered "loan originators" under CFPB regulations.

o. Loan Originator

Is not permitted to act as either the listing or selling agent, or receive dual compensation as a lender and real estate agent on any NJHMFA transaction.

p. Other Qualifications

Meet such other qualifications, as the Agency's Executive Director shall deem relevant.

1-2: PARTICIPATING LENDER APPROVAL PROCESS

a. Application

The Lender generates a Participation Application on-line or requests a Participation Application from NJHMFA's Manager of Business Development. Upon receipt the Lender completes the application and forwards along with all other required documentation to NJHMFA's Manager of Business Development. Incomplete applications will be summarily denied, and an interested Lender will be required to reapply.

b. Approval Notification

NJHMFA's Manager of Business Development, in consultation with NJHMFA's Audit Division, reviews the application and responds by letter of approval or rejection to the Lender's senior management. A $2,000 annual participation fee is required to be paid by the Lender upon acceptance of the approval.

c. After receiving the Notice of Acceptance and full execution and delivery of the Mortgage Purchase Agreement (MPA), the Participating Lender may originate Mortgage Loans, which shall comport with the requirements of the Agreement, the Guide, NJHMFA Underwriting Guidelines, Lender Bulletins, applicable Term Sheet, regulations, and GSE/Insurer guidelines for each Mortgage Program. The Participation Application constitutes an agreement by the Lender to sell to the Agency, and by the Agency to purchase from Lender Mortgage Loans pursuant to the terms of the MPA.

d. Lender must assure that all Mortgage Loans so originated are in full compliance with the MPA and remains fully responsible for any obligation thereunder relating to such Mortgage loan including, but not limited to, any required repurchase of the mortgage loan(s).

e. **Required Training**
Newly approved Participating Lender's staff shall complete all required NJHMFA training, and any training required by any Agency authorized designee and/or vendor, prior to being authorized to originate loans in adherence to this Guide. The newly approved Participating Lender must contact the Single Family Business Development Team via e-mail at SFLenders@njhmfa.gov to schedule training.

f. Existing Participating Lenders are encouraged to have staff members complete NJHMFA training annually to better understand our programs and to improve loan quality. Existing Participating Lenders can send an e-mail training request to the Single Family Business Development Team at SFLenders@njhmfa.gov.

g. All first mortgage Agency program loans must close in the name of the Lender. DPAs must close in the name of NJHMFA.

h. Broker/TPO Business:

(i) If the approved Lender elects to work with a TPO Mortgage Broker, the Lender remains fully responsible and liable for compliance of this Agreement, the Guide, NJHMFA Underwriting Guidelines, Lender Bulletins, applicable Term Sheet, regulations, and GSE/Insurer guidelines for all loans. The approved Lender must have effective written policies and procedures for the approval of a TPO which must include assurance that the TPO can produce quality loans. The Lender must coordinate approval to deliver TPO broker loans to NJHMFA in advance. NJHMFA will require Lender policy documents and TPO broker training prior to Lender TPO broker origination activities on NJMHFA loans.

(ii) Lender may originate Mortgage Loans for sale to the Agency through TPO broker business, provided such mortgage broker is in compliance with all applicable state and federal requirements concerning licensing and regulation of mortgage brokers. The Participating Lender is responsible for all warranties, representations, and required oversight of such mortgage brokers.

(iii) If Lender originates Mortgage Loans for sale to the Agency through TPO Mortgage Brokers, unit loan volume from any single brokerage may not exceed more than twenty-five percent (25%) of the Lender's NJHMFA overall volume, unless prior review and approval has been provided by the Agency.

(iv) Lenders that intend to utilize TPO Mortgage Brokers in the origination of loans for sale to the Agency must notify the Agency of their intent to do so. The Participating Lender must provide the Agency with a list of TPO Mortgage Brokers who will originate Agency loans within five (5) business days of retaining such mortgage broker and at least on a semiannual basis on the most current Agency form of contact list.

(v) All loans originated by a TPO Mortgage Broker must be indicated as such in the Agency system of record by the Lender.

1-3: MAINTAINING PARTICIPATING LENDER APPROVAL STATUS

After initial approval, each Participating Lender will be required to meet the following ~~r~~requirements to maintain their status as an approved NJHMFA Participating Lender:

a. Application and Mortgage Purchase Agreement.

(i) Application: At the beginning of each calendar year or such time as the Agency shall designate, a Lender must re-submit to continue offering Agency Mortgage Loans during that year and submit all documentation as required in the Guide and under Applicable Law.

(ii) The Participating Lender agrees to sell, and the Agency agrees to purchase Mortgage Loans that have been properly reserved with the Agency, and meet the eligibility requirements of the Agency, and any insurer and/or guarantor GSE/Insurer thereof, or Investor therein.

(iii) Lenders participating in the NJHMFA Homebuyer Program are required to sell a minimum of five (5) closed, first-mortgage NJHMFA Homebuyer Loans annually to the Agency based on calendar year beginning January 1. Failure to meet this requirement in year one shall result in early termination of current contract. Failure to meet this requirement in year two shall result in the denial of this contract's renewal for the following term. However, in the event that a Lender may originate less than Fifty Million Dollars ($50,000,000) in total first-mortgage volume for the given contracted year in which this requirement was not met, that Lender may be granted an exemption for a contract extension. Furthermore, a Lender which may originate in excess of Fifty Million Dollars ($50,000,000) in total first-mortgage volume for the given contracted year may make a Hardship Appeal of the non-renewal decision to the NJHMFA Director of Single Family. Minimum requirements for new Lenders will be pro-rated for the first year. Lenders only participating in the Police and Firemen's Retirement System (PFRS) loan program are exempt from the five-loan per calendar year requirement.

~~At the beginning of each calendar year or such other time as the Agency shall designate, a Participating Lender must re-apply to continue offering Agency Mortgage Loans during that year and submit all documentation as required in this Sub-Section and under Applicable Law. The $2,000 annual participation fee shall be submitted with the renewal application. The Participating Lender must sell to NJHMFA no fewer than five (5) first-mortgage NJHMFA Homebuyer loans during each full calendar year thereafter. Unless otherwise specified, the renewal application, the fee, and all required documentation and exhibits must be sent to the Agency's Manager of Business Development.~~

b. Purchase and Sale of Mortgage Loans.

(i) The Participating Lender shall process and report applications for Mortgage Loans and deliver Mortgage Loans to the Agency in accordance with the Mortgage Loan Delivery Schedule.

(ii) The Agency shall purchase and pay for each Mortgage Loan properly submitted to it for purchase in accordance with the Guide, applicable Term Sheet, and guidelines upon the receipt of all documentation and exhibits required to clear any conditions that would inhibit purchase, the satisfactory review of all initial collateral documents, and where applicable, upon the issuance of a purchase authorization by the Agency's authorized/designated vendor.

(iii) The net purchase price payable by the Agency to the Participating Lender on the Purchase Date for each Mortgage Loan purchased by the Agency shall be as set forth in the Guide. The Mortgage Loans are sold servicing-released and the acquisition of servicing rights by the Agency are included in the purchase fee.

(iv) All amounts collected by the Participating Lender for establishing the initial escrow account shall be retained by the Participating Lender and shall be subtracted from the Purchase Price of the Mortgage Loan.

(v) If Participating Lender refinances or the Mortgage Loan pays off within one hundred eighty (180) calendar days of the purchase, the Lender shall reimburse the Agency as an Early Payoff (EPO). See details in Chapter 12 and the MPA.

c. The Participating Lender agrees to comply with all of the terms, conditions, and requirements of the Guide, Lender Bulletins, applicable Term Sheet, and guidelines in effect as of the Closing Date with respect to such Mortgage Loans closed thereon unless expressly waived by Agency Staff, in writing, under the process set forth in the Guide.

d. The Participating Lender agrees that the Agency shall have the right to amend and supplement the Guide, Term Sheets and guidelines for any or all of the Mortgage Programs from time to time by distributing the changed pages via electronic mail and posting on the Agency's website; such amendments or supplements to be effective five (5) business days after the date of the electronic mailing thereof unless otherwise set forth; provided, however, that (i) in the event of any conflict between the provision of the MPA and any provision of the Guide, Term Sheet, and guidelines as from time to time amended or supplemented, the MPA shall govern and (ii) any amendments or supplements to the Guide, Term Sheet, and guidelines shall not apply to Mortgage Loans for which the actual Closing Date was prior to the effective date of the amendments or supplements.

e. Insurance and Net Worth Requirements

(i) Maintain required fidelity bond, errors, omission insurance and net worth requirements:

1. Annual Financial Statement

Provide NJHMFA with financial re-certification documentation as required by HUD, within 90 days of the Participating Lender's fiscal year end. The financial statement shall include a balance sheet, an income statement, and a statement of retained earnings, all related notes and an opinion of an independent certified public accountant as to the correctness of those statements. The Participating Lender shall also provide a copy of FHA acceptance of financials through LEAP.

2. Certificate of Insurance

Provide NJHMFA's Manager of Business Development with certificate from the insurance provider confirming that the fidelity bond and mortgage errors and omission insurance are still in effect in the amounts as required in 1-1.C above. Certificates are to be provided when coverage is renewed, or a new policy issued.

f. Quality Control

(i) **Lender's Quality Control Plan**

Provide annual certification that the Participating Lender's Quality Control plan meets applicable GSE/Insurer requirements. Provide the Manager of Business Development copies of any notification forwarded to an GSE/Insurer for loan ineligibility, violations of law or regulations, false statements or program abuses by the Participating Lender, its employees or any other party to the transaction as required under the respective quality control plan or sent to the Participating Lender by an insurer, guarantor, or State of Federal government entity.

(ii) **Procedures**:

Participating Lenders shall follow VA, FHA, USDA, Fannie Mae and Freddie Mac quality control procedures as they apply. Fannie Mae or Freddie Mac procedures must be followed for NJHMFA unless otherwise instructed per program guidelines.

(iii) **NJHMFA Quality Control Reviews**:

NJHMFA or its designee and discretionary sample of the loans purchased as per Guide or per, in a process and timing that satisfies FHA, Fannie Mae, Freddie Mac, or the insurer/guarantor GSE/Insurer quality control requirements of the subject program under which the Mortgage Loan was originated. The Participating Lender will be required to correct any deficiencies or defects found during such quality control review within sixty (60) calendar days of being so notified by the Agency or the Participating Lender may be required to repurchase the Mortgage Loan. Lenders whose quality control review reveals a loan defect rate that is greater than 20% above the average defect rate of all Lenders may be subject to additional requirements including but not limited to required trainings held by NJHMFA staff, required quality control review of a higher percentage of delivered loans, additional agency pre-closing loan review, and/or a limitation of the origination of some or all Agency programs or up to and including suspension or termination of business with the Agency. The cost of the additional loan review shall be paid by the Lender, and may be netted from the loan purchase price at the time of purchase.
~~will perform a monthly post purchase quality control review on a random and discretionary sample of no less than ten percent of the loans purchased or per GSE/Insurer requirements Participating Lenders will be advised of significant findings resulting from these reviews and given an opportunity to remediate the findings. Findings will be forwarded to the Lender by e-mail. Responses are required to be returned to NJHMFA in accordance with the GSE/Insurer guidelines. Timely correction or resolution of any deficiencies, in form and content acceptable to the Agency, is a condition subsequent to the Mortgage Loan purchase. If a deficiency cannot be corrected or resolved, repurchase may be required.~~

The Lender shall be required to Repurchase any Mortgage Loan that is selected for a Quality Control review as a result of an Early Payment Default and/or the loan is determined not salable and insurable per the GSE/Insurer. If the Mortgage Loan has deficiencies that are unable to be cured, the Lender may be subject to indemnifying the Agency for any losses on the loan, and financial penalties as determined by the Agency. The penalties include but are not limited to reimbursing NJHMFA for all liabilities, obligations, losses, damages, penalties, fines, forfeitures, court costs and reasonable attorneys' fees, judgements, suits and any other costs or fees directly or indirectly resulting from identified deficiencies that are unable to be cured. The penalties will also include a fee of $2,000 in connection with the loan. Ongoing material loan deficiencies may lead to termination of the MPA.

Any violation, misrepresentation or fraud will require immediate repurchase by the Lender and will be immediately reported to the required regulatory Agency or Investor. If there is sufficient evidence to confirm a Lender participated in any material violation, misrepresentation or fraud, the Lender may be immediately terminated from doing business with NJHMFA at the Agency's sole discretion.

g. Annual Participation Fee

A $2000 participation fee shall be submitted annually. The fee is subject to change and will be listed in the Application.

h. Minimum Origination Volume

Originate no fewer than five (5) first-mortgage NJHMFA Homebuyer loans during each full calendar year ~~thereafter~~ .

i. Notification of Organizational Changes

Provide written notice, by electronic mail, within 48 hours to NJHMFA's Manager of Business Development of any major organizational changes contemplated, including but not limited to:

- **(i)** Resignation or replacement of senior management personnel;
- **(ii)** Resignation or replacement of any Delegated Underwriter;
- **(iii)** Mergers, acquisitions or corporate name change;
- **(iv)** Change in savings and loan association charter or State licensure to issue Mortgage Loans;
- **(v)** Change in financial position;
- **(vi)** Any reorganization, which centralizes or decentralizes a primary function (i.e., underwriting, closing or post-closing);
- **(vii)** Opening or closing of offices originating NJHMFA loans (include address, phone number and branch manager's name);
- **(viii)** Significant changes in ownership (5% or more).

j. Compliance with NJHMFA Requirements

Maintain compliance with NJHMFA's enabling laws and administrative rules promulgated thereunder and all policies, procedures, and Term Sheets as stated in this Participating Lender's Guide, and any amendments thereto, any subsequent notifications or policy or program changes, and compliance with terms and conditions contained in the Mortgage Purchase Agreement.

k. Acceptable Loan Performance

Originate Mortgage Loans resulting in a delinquency rate determined to represent an acceptable risk to NJHMFA based on loan performance and other factors that may generally affect residential mortgage lending in the State.

l. Agency Reports

Provide a copy of the Participating Lender's most recent mortgage call report filed with the State and/or CFPB pursuant to the Secure and Fair Enforcement for Mortgage

Licensing Act of 2008. The Participating Lender will also provide any additional reports received from or filed with the State or any Federal Agency regulating the Participating Lender's residential mortgage lending in the State as may be requested by NJHMFA as a condition of renewal and continued good standing to originate Agency Mortgage Loans.

m. Neighborhood Watch

FHA 2 year compare ratio should not exceed 150% of FHA's national, State or local regional office.

n. Compliance Policies and Procedures

Lender shall furnish a copy of any and all policies drafted to comply with Applicable Law and/or any State or Federal regulator of the Participating Lender as the Agency may request.

o. Records Retention

Upon request of the Agency,~~;~~ the State of New Jersey, Department of Law and Public Safety,~~;~~ or any other State or Federal governmental entity with regulatory or prosecutorial authority over the Lender and/or the Mortgage Loans, the Lender shall promptly make available for inspection, copying, and auditing, all business and financial records of the Lender of, concerning, and referring to the MPA, or which are otherwise relevant to the enforcement of these provisions or the ~~e~~ Mortgage Loans offered to the Agency hereunder. This right of access will continue for the term of any document retention requirement relating to the Mortgage Loan under Applicable Laws, the term of any document retention requirements of any insurer and/or guarantor of the Mortgage Loans, or seven (7) years of the date the Agency purchases the loan, ***whichever is longer.***

~~Participating Lenders shall maintain records in accordance with the applicable insurer and/or investor guidelines and in adherence with all State or Federal regulatory requirements. Access to such records as relate to the Participating Lender's performance under this guide shall be made available to the Agency upon request.~~

1-4: DELEGATED PARTICIPATING LENDER QUALIFICATIONS

Participating Lenders are required to underwrite First-Time Homebuyer, Homeward Bound, HFA Advantage, DPA and PFRS loans prior to review by NJHMFA. First-Time Homebuyer, Homeward Bound, HFA Advantage and DPA require NJHMFA review prior to closing. PFRS loans shall be closed by the Participating Lender prior to review by NJHMFA. To be approved to participate as a Delegated Participating Lender, and have staff approved as Delegated Underwriters, the following qualifications must be met:

a. Delegated Underwriters

Delegated Underwriters must have at least three years of residential underwriting experience. To underwrite First-Time Homebuyer and Homeward Bound loans, underwriters must possess FHA Direct Endorsement Authority. Any staff that the Participating Lender wants the Agency to approve as Delegated Underwriters must be identified by the Participating Lender and submit resumes for Agency review as a part of Participating Lender Application and ongoing as Participating Lender staff may change throughout the year.

b. Information to Staff/Key Contact

The Participating Lender will be responsible for informing its staff of NJHMFA procedural changes and requirements. The Participating Lender will designate key contacts for receipt of correspondence from NJHMFA and will notify NJHMFA of any changes in those contacts.

1-5: LOAN ORIGINATION RESPONSIBILITIES, PROCESS AND REQUIREMENTS

The within Section is a broad overview of the Participating Lender's processes, responsibilities and requirements. The Participating Lender should consult specific sections of this Guide and other documentation referenced herein for further detail.

a. Origination

The Participating Lender is responsible for originating, processing, underwriting, closing, post-closing and Interim Servicing all NJHMFA loans in accordance with all Applicable Laws and the rules and regulations promulgated thereunder, the Terms Sheets, guidelines and procedures stated in this Participating Lender's Guide, NJHMFA Lender Bulletins, the appropriate insurer requirements, and all regulatory requirements of the CFPB, the State, and, if applicable, the Participating Lender's Federal prudential regulator.

b. Application/Customer Information

Participating Lender staff ~~is to~~shall be knowledgeable of NJHMFA programs and guidelines prior to discussing qualifications with loan applicants. Once approved, the Participating Lender's staff is subject to ongoing training as the Agency may provide. The Participating Lender is to provide information to potential applicants concerning NJHMFA loan programs and procedures and requirements. Prior to reserving funds for applicants, the Participating Lender ~~is to~~shall assess the applicant's qualifications to determine adherence to program requirements. The Participating Lender ~~is to~~shall use standard industry documents except as specified in this Guide.

c. Retention of Third-party Vendors/Subcontracting

Note: ***A list of contact information for any such Third-party Vendors that are currently utilized by the Agency is available in the Summary of Addresses, Clauses and Contacts section of this Guide*****.**

(i) Outsourcing by NJHMFA:

NJHMFA may outsource certain functions to a third-party vendor, who shall be the Agency's designee. This designee is the NJHMFA's agent and the retention of such a designee shall not release the Participating Lender from their obligations under this guide or the Mortgage Purchase Agreement.

If the Agency has such a designee, that entity will work directly with the Participating Lender in resolving and correcting any file deficiencies; to the extent such are correctable. Funding shall occur only when all deficiencies identified by the Agency or its designee are completely rectified, if possible, or the Agency will not purchase the loan.

The Participating Lender is responsible for ascertaining from the NJHMFA website to whom it should send the Mortgage Loan documents and when. Additional guidance is set forth at Pre-Purchase File Review, below.

(ii) Outsourcing by Participating Lender:

Prior to outsourcing or subcontracting any duties required for underwriting the Mortgage Loans, the Participating Lender must obtain prior written approval from NJHMFA, provided, however, that the Participating Lender shall remain responsible to NJHMFA for the performance of such subcontracted services as if the Participating Lender had itself performed them.

d. Loan Reservation

The Participating Lender is to utilize the Agency's ~~ILRS~~ Lender Portal to reserve qualified mortgage loans for purchase by the Agency. The ~~ILRS~~ Lender Portal allows the Participating Lender to enter required Applicant, Property and Mortgage Loan information and to print related loans forms. The ~~ILRS~~ Lender Portal accepts loans for all Agency Mortgage Loan programs. The Participating Lender is responsible for managing the cancellation and expiration of Mortgage Loan Reservations in accordance with the policies outlined in Chapter 6 of this Guide. In addition, refer to Chapter 6 for specific Lender Portal processes, including reservation commitments, amendments, modifications, and extensions of the Mortgage Loan Reservation.

Participating Lender is hereby advised that all loans must be timely disclosed under CFPB requirements within 3 days of the loan reservation being entered into the ~~IRLS~~Lender Portal.

The Participating Lender will be trained in the use of the ~~ILRS~~ Lender Portal during the required training noted in Section 1-2, C of this Guide.

Submitting loans with Fannie Mae or MISMO XML Files is a beneficial way to ensure quality and accuracy of the data transfer on the loan. NJHMFA will accept MISMO and Fannie Mae DU files. Lenders to periodically check the Lender Portal for the latest acceptable version(s).

Effective as July 1, 2025 NJHMFA will require Fannie Mae DU or MISMO XML Files at the time of initial Underwriting submission for all loans. Loans not submitted with Fannie Mae DU or MISMO XML will not move forward in the process and will be moved to “incomplete submission”.

e. Loan Processing

The Participating Lender is to process loans in accordance with Applicable Law, NJHMFA requirements as set forth herein, and the requirements of Mortgage Loan’s insurer/guarantor and submit required documentation as directed on the document checklist.

f. Underwriting

The Participating Lender will underwrite Mortgage Loans in accordance with NJHMFA requirements as set forth in this guide, applicable Term Sheets, guidelines, NJHMFA Lender Bulletins and the insurer’s and/or guarantor’s requirements.

g. Closing

The Participating Lender will provide closing instructions to the closing agent. The Participating Lender will review preliminary closing documents for compliance with NJHMFA and the insurer or guarantor’s requirements. Participating Lenders with NJHMFA delegated authority will approve documents for closing.

h. Funding

Participating Lenders must utilize their own interim funding facility.

NJHMFA will fund a Mortgage Loan only after determining that the Mortgage Loan is eligible for purchase based on the following review methods as otherwise detailed on a programmatic basis.

(i) Funding of Loans

Loan funding is a process whereby NJHMFA purchases a note, security instrument and servicing rights from the Participating Lender. Once it has been determined that a loan is acceptable for purchase, NJHMFA will make every effort to fund the purchase within four business days. Loan funding will be conducted via wire transfer.

To compute the amount due to the Participating Lender, the following Items are added or subtracted from the loan amount:

1. Accrued interest (calculated on a 360-day basis) from the purchase date through the end of the month will be subtracted from the loan amount if the loan is funded in the same month as the closing.

2. If the loan is funded in the month following closing, the interest (calculated on a 360-day basis) to be paid to the Participating Lender will be calculated from the first day of the month (inclusive) to the purchase date and will be added to the loan amount.

3. Current escrow balance held by the Participating Lender will be netted from the loan amount.

4. All lock extension and late delivery fees will be subtracted from the loan amount. The Participating Lender is responsible for managing the cancellation and expiration of the Mortgage Loan Reservations, in accordance with the policies outlined in Chapter 6 of this Guide.

(ii) Document Delivery

For Government Insured Loans, HFA Advantage Loans and Down Payment Assistance Loans: Participating Lenders must deliver the properly endorsed original note to NJHMFA.

A copy of the note and the remainder of the loan file must be sent to the Agency's authorized designee. The address for delivery of the purchase package can be found on the appropriate Agency checklist (available on the Agency website) and in the Summary of Addresses, Contacts and Clauses in this Guide. Failure to include all appropriate documentation will result in a delay of funding of your Mortgage Loan.

All government insured, HFA Advantage and DPA loans will be delivered in accordance with the applicable program's checklist. Program checklists can be found on the Agency website. Failure to include all appropriate documentation will result in a delay of funding of your Mortgage Loan.

Note: All checklists require the full closed loan package including any document used to render an underwriting decision.

For PFRS Loans ~~and 100% Financing Loans~~:
Seller shall be responsible to ensure ~~A~~all PFRS loans ~~will be~~are delivered in accordance with the applicable program's checklist. Program checklists can be

found on the Agency website. The original note and purchase package must be delivered, reviewed, and purchased no later than the lock expiration date. A copy of the wire instructions is required to be in the Purchase Package.

Note: All checklists require the full closed loan package including any document used to render an underwriting decision.

As a reminder all Notes must be properly endorsed to the Agency as follows:

Note: “Without Recourse” shall not affect the Participating Lender’s repurchase obligations as set forth in this Participating Lender’s Guide and provided in the Mortgage Purchase Agreement.

Program-specific endorsement language can be found on the applicable checklist and in the Summary of Addresses, Contacts and Clauses available in this Guide.

(iii) File Order

The Participating Lender must deliver the electronic file as instructed on the applicable NJHMFA Document Checklist, and in the order shown on the applicable NJHMFA Document Checklist. NJHMFA requires all loan files to be fully compliant with all local, State, and Federal requirements. All required disclosures should be submitted with the Purchase Package. Participating Lenders should not submit two-sided copies, duplicate copies, or unexecuted forms.

(iv) Assignment of Mortgage

An assignment of each Mortgage Loan must be executed and recorded on a Uniform Assignment of Mortgage instrument. A copy of the Assignment of Mortgage in recordable form shall be submitted with the Note. Assignments of Mortgage are NOT to be submitted for recording until such time as the Agency advises the Participating Lender that the subject Loan will be purchased. This will eliminate the necessity of the recording of an additional assignment of Mortgage to return vesting to the Participating Lender should a loan be rejected for purchase.

Program-specific Assignment of Mortgage templates are available for a Participating Lender’s use. Using an Agency approved template will reduce the incidents of erroneous or incorrect assignment issues and the delays that may be caused by same.

If a program-specific template is not going to be utilized, the assignment language to NJHMFA should be set forth as follows (this applies to all loans with the exception of PFRS loans):

New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton NJ 08650-2850

Any deviations from this language may result in a loan package being rejected for purchase.

For PFRS Loans the Assignment of Mortgage must read as follows:

Police and Firemen's Retirement System Board of Trustees by its Administrative Agent New Jersey Housing and Mortgage Finance Agency

Any deviations from this language may result in a loan package being rejected for purchase. The Assignment of Mortgage should be dated simultaneously with the mortgage.

(v) Pre-Purchase File Review
It is incumbent upon the Participating Lender to complete a comprehensive pre-purchase file review prior to submission of the applicable underwriting (credit) package and accompanying purchase package to the Agency or its authorized designee for purchase review.

All checklists are to be completed as required and all documentation is to be provided accordingly. The Participating Lender must stack and forward the documents as directed in each of the checklists.

While it is understood that there may be erroneous omissions of documents or the necessity of the submission of additional documentation by the Participating Lender during the course of the purchase review process, the following 12~~4~~ critical documents must be present in the Participating Lender's initial purchase review package submission:

1. Appraisal
2. DU/AUS Findings
3. Loan Estimate issued within 3 days of Borrower's application
4. Closing Disclosure issued at least 3 days prior to settlement/consummation
5. Credit Report
6. Initial Escrow Disclosure

7. Hazard insurance policy

8. Private Mortgage Insurance certificate (if applicable)

9. Copy of Note

10. Copy of Security Instrument (Mortgage)

11. Copy of DPA Note

12. Copy of DPA Security Instrument (DPA Mortgage)

If the above critical documents are found to be missing from the initial purchase submission, the purchase review process will be put on hold until such time as the required documents are provided.

Further, The Participating Lender assumes full responsibility for any delays, consequences or liabilities that may arise as a result of the incomplete submission. Further, Participating Lender must also resolve to the Agency's approval, and in the Agency's discretion any additional conditions, or impediments to the purchase that may be caused by Participating Lender's delay in furnishing the required initial exhibits. This includes, but is not limited to, the cure (where available or applicable) of any tolerance issues, or defects to the required disclosures under TRID.

The Agency reserves the right to reject any loan for purchase where the required initial documentation is not furnished within five (5) business days of the Agency's, or its authorized designee's request for same.

All packages must be received by the Agency for purchase review within 7 days of closing but no later than 30 days subsequent to closing.

The Agency may decline to purchase a loan if documentation errors or omissions are found, potential compliance issues are unresolvable and/or it is determined that the loan may be unsalable into the secondary market.

All loans submitted by the Participating Lender for purchase by the Agency are subject to a full review by the Agency and/or its authorized designee.

The Agency and/or its designee will complete a review of a loan file prior to NJHMFA purchasing the loan.

The Participating Lender must stack and send the documents as directed in the applicable document checklist. **Participating Lenders should expect delays in the completion of the pre-purchase file review as a result of missing and/or inaccurate required or erroneously stacked loan file documentation.**

The Participating Lender must send these documents **at least fifteen (15) business days** prior to expiration of the Loan Reservation or seek extensions on timely basis. **Obtaining the necessary extensions and paying the fees therefor are the sole responsibility of the Participating Lender. Please see Chapter 6 of this Guide for additional information regarding the Loan Reservation extension process.**

i. Sale of Loans to NJHMFA

(i) Loan purchase is a process whereby NJHMFA purchases a note and mortgage from a Participating Lender following the closing of the loan and completion of the pre-purchase review and approval process by the Agency's authorized designee.

(ii) For each loan purchased, NJHMFA will pay to the Participating Lender 100% of the unpaid principal balance of the loan computed as of the date the loan is received for purchase by NJHMFA, less any and all fees due NJHMFA. At the time of purchase, applicable fees will either be subtracted or added to the purchased principal balance.

(iii) A Seasoned Loan is a closed loan that is being serviced by the Lender and has had three or more payments made.

Seasoned Loans will only be considered if the following requirements are satisfied:

1. Closed loan packages are expected to be delivered to NJHMFA for purchase review within seven (7) calendar days of the Note date. Any loans delivered to the agency greater than thirty (30) calendars days from the Note date will be subject to a delivery penalty of .375 of the UPB in addition to applicable extension fees.
2. ~~1.~~ All loans delivered to the Agency are required to be purchased within one hundred twenty (120) days from the Note date.
3. ~~2.~~ Loans that have not been sold to the Agency within ninety (90) calendar days from the Note date will require a Verbal Verification of Employment (VVOE) for all Borrowers.

The Agency will not purchase any loans where the 4th payment due on the loan is fifteen (15) days or less from the purchase date.

j. Trailing Documents

(i) General

NJHMFA allows for Trailing Documents to be sent after purchase. Since these Trailing Documents are not provided to NJHMFA at the time of loan purchase, it is important for our Participating Lenders to follow up and ensure these documents are delivered in a timely manner and as set forth on the pertinent document checklist. Trailing Documents include, but are not limited to, the following:

1. Original recorded mortgage and any applicable riders or addendums;
2. Original recorded assignment of mortgage and all original recorded intervening assignments, if any;
3. Copy of ~~Original final~~final title insurance policy and any required waivers, attorney's opinion, and/or applicable endorsements;
4. MIC, LGC or the USDA insurance certificate;
5. Certified copy of the recorded power of attorney, if any;
6. Servicing Transfer Letter;
7. Recorded Municipal Lien Certificate ("MLC");
8. Resolution of all post-purchase conditions cited by the Agency's authorized designee.

Timely receipt of all Trailing Documents in form and content acceptable to the Agency is a condition subsequent to the Mortgage Loan purchase. All Trailing Documents are required within 90 days of the purchase date. If any Trailing Documents are not received and are aged more than 120 days, NJHMFA may, in its sole discretion, assess the Participating Lender $25 per document per month, or in the alternative, the Participating Lender may have to repurchase the Mortgage Loan.

All Trailing Documents are to be sent directly to the Agency, Participating Lenders are required to utilize the NJHMFA Custodial Certification for submission of Trailing and Collateral Documentation. The document can be located on the website under the Lender Resource Site.

(ii) Outstanding Documentation Report

A Participating Lender may obtain an outstanding Trailing Document report from the party to whom such documents are to be sent that identifies the final documents that must be received.

(iii) Requirements for Shipping Trailing Documents

A Participating Lender should ship Trailing Documents immediately upon receipt in order to complete the loan file. Trailing Documents are to be shipped per the instructions on the applicable document checklist to satisfy Agency requirements.

(iv) Document Recovery

In the instance where the Trailing Documents have been outstanding for more than 120 days from the Purchase Date, NJHMFA has the right to:

1. Charge/collect from the Participating Lender a fee of $25, per Trailing Document per month or the actual recovery cost and recorded costs, whichever is greater; and/or,

2. Require the Participating Lender to Repurchase the Mortgage Loan.

3. NJHMFA will bill Participating Lenders in arrears for outstanding final documents quarterly.

4. The Participating Lender is responsible for submitting and following up on all outstanding Trailing Documents.

(v) 1098 Reporting

The Participating Lender is responsible for 1098 reporting for all fees paid at closing for Mortgage Loans that are table-funded by the Participating Lender.

(vi) Obtain Mortgage Insurance

The Participating Lender will submit all necessary documents to the mortgage insurer in compliance with the insurer or guarantor's requirements. The Participating Lender will obtain and submit to NJHMFA the original documents evidencing such MI or guaranty within 90 days of the Closing Date.

1-6: PARTICIPATING LENDER COMPENSATION/FEES

The Participating Lender may not charge discount points and may only collect fees from the Borrower as will meet the "ability to repay" and "qualified mortgage" standards of Regulation Z, notwithstanding any exemption for HFA-administered mortgage programs therein, and as further limited herein.

a. Reimbursement for Costs

The Participating Lender may collect reimbursement for costs actually incurred in the underwriting of the Mortgage Loan, such as: credit reports, appraisals, or flood certification fees applicable.

b. Lender Origination Fee

Lender may charge their standard lender fee for The First-Time Homebuyer, Homeward Bound, HFA Advantage, and PFRS Mortgage Programs, provided that the fee is reasonable and customary. Fees produced by the Lender for these programs may not exceed fees charged by the lender for other loans of similar investor/insurer type, i.e., FHA, VA, USDA. Under no circumstances shall the standard lender fee for the First-Time Homebuyer program exceed $1,350.

c. Service Release Fee

A service release fee will be paid to the Participating Lender by NJHMFA at the time of purchase. This fee will be paid for all NJHMFA Mortgage Loans except PFRS Loans and down payment assistance mortgage loans.

d. Discount Points

Discount points are not allowed.

e. Loan Costs and Other Costs

For all programs, Participating Lenders must disclose customary loan costs and other costs collected that are permitted under CFPB regulations. The CFPB defines loan costs as origination charges, services the consumer cannot shop for and services the consumer can shop for. Origination charges are items the consumer will pay to each creditor and loan originator for originating and extending credit (CFPB 1026.37(f)(1). Services the consumer cannot shop for is defined by the CFPB as items provided by persons other than the creditor or mortgage broker that the consumer cannot shop for and will pay for at settlement (CFPB 1026.37(f)(2). Services the consumer can shop for is defined by the CFPB as items provided by persons other than the creditor or mortgage broker and are services that the consumer can shop for and will pay for at settlement (CFPB 1026.37(f)(3)). Other costs are defined by the CFPB as items that are established by government action, determined by standard calculations applied to ongoing fixed costs or based on an obligation incurred by the consumer independently of any requirement imposed by the creditor. The CFPB requires that these are labeled under the subheadings of taxes and other government fees, prepaids, initial escrow payment at closing, and other. Other items that are required to be paid at or before closing pursuant to the contract for sale between the consumer and a seller must be disclosed on the Loan Estimate to the extent the creditor has knowledge of those items when it issues the Loan Estimate (CFPB 1026.37(g)(5)).

f. Mortgage Purchase Agreement

The Mortgage Purchase Agreement (or the Agreement) sets forth the requirements for maintaining status as an approved Participating Lender. The agreement also provides terms and conditions of sales of Mortgage Loans to the Agency and incorporates, by reference, the terms of this Participating Lender's Guide. ***Participating Lenders perform origination and selling functions as a principal, not as an agent or representative of NJHMFA.***

g. Breach, Damages and Remedies – refer to specific Chapters of this Guide and the Mortgage Purchase Agreement.

Chapter 2

PARTICIPATING LENDER: OBLIGATIONS AND DUTY TO PERFORM UNDER THE MORTGAGE PURCHASE AGREEMENT AND THE PARTICIPATING LENDER'S GUIDE.

2-1: PARTICIPATING LENDER, REPRESENTATION, WARRANTIES AND COVENANTS

As a condition of approval to originate and accept payment for the Mortgage Loans, the Participating Lender has, and continues to represent, warrant and covenant that:

a. ***The Participating Lender and all of its staff who might originate loans under the Mortgage Purchase Agreement have read and understand this Guide.***

b. The Participating Lender is, and shall continue to be, a corporation, partnership, limited liability company, or other business entity duly organized and validly existing and in good standing under the laws of the jurisdiction under which it was organized, and has the power and authority, corporate and other, to own its properties and carry on its business as now being conducted and is duly qualified to do such business in the State of New Jersey and wherever such qualification is required.

c. The Participating Lender is not subject to any action, suit, proceeding inquiry or investigation, pending or threatened, which, either in one incident or in the aggregate, would be likely to result in any material or adverse change in the business, operations, financial condition, properties, or assets of the Participating Lender, or in any material liability on the part of the Participating Lender, or which would draw into question the validity of the Mortgage Agreement or the Mortgage Loan or of any action taken or to be taken in connection with the obligations of the Participating Lender contemplated herein, or which would be likely to impair materially the ability of the Participating Lender to perform under the terms of the Mortgage Purchase Agreement.

d. The Participating Lender is not under any cease-and-desist order or other order of a similar nature, temporary or permanent, of any Federal or State authority, nor are there any proceedings presently in progress or to its knowledge contemplated which would, if successful, lead to the issuance of any such order.

e. The Participating Lender is a bank or trust company, savings bank, national or State banking association, savings and loan association, or credit union or a mortgage banking firm or mortgage banking corporation, has authority to transact business in the State of New Jersey, and maintains an office in the State where members of the public may go to apply for Mortgage Loans.

f. The Participating Lender is:
   (i) An approved originator of mortgage loans to and for Fannie Mae and/or Freddie Mac; and/or

(ii) A "Supervised Lender" as classified by the VA under Section 500(d) of the Servicemen's Readjustment Act: and/or

(iii) An FHA-approved mortgagee;

(iv) 1. If the Participating Lender is a bank or trust company, savings bank, national banking institution, savings and loan association, or credit union, the Participating Lender must maintain an office in the State of New Jersey and be able to demonstrate to the Agency and any Investor, if applicable, that the Participating Lender is in compliance with Title 12 of the United States Code or other acts of government that may be promulgated from time to time with respect to any Federal, State or quasi-governmental agency having appropriate jurisdiction over the Participating Lender's ability to originate Mortgage Loans under the Mortgage Purchase Agreement.

2. If the Participating Lender is a mortgage banker and is owned by or affiliated with an entity that is a bank or trust company, savings bank, national banking institution, savings and loan association, or credit union, then the Participating Lender must maintain an office in the State and be able to demonstrate to the Agency and any Investor, if applicable, that the Participating Lender's owner or affiliated entity is in compliance with Applicable Laws that may be promulgated from time to time with respect to or by any Federal, State or quasi-governmental agency having appropriate jurisdiction over the Participating Lender's ability to originate Mortgage Loans under the Mortgage Purchase Agreement.

3. If at any time during the course of participating in the Agency Mortgage Programs, the Participating Lender fails to meet the above criteria, it must so notify the Agency immediately. The Agency and the Investor, if applicable, will be permitted to take any and all appropriate actions that are consistent with the terms of the Mortgage Purchase Agreement. Failure to immediately notify the Agency and the Investor, if applicable, pursuant to this paragraph will be grounds for **immediate** termination of the Mortgage Purchase Agreement.

4. The Agency, with the consent of any Investor or bond insurer, if applicable, in each entity's sole discretion, may waive or modify certain of the above criteria. However, all Participating Lenders must meet and at all times while participating in Agency Mortgage Programs, be in compliance with requirements above.

g. The Mortgage Purchase Agreement is a valid and binding agreement of the Participating Lender, enforceable according to its terms, the making and performance of which have been duly authorized by all necessary corporate and other action and will not constitute a violation of any law, any requirement imposed by any judicial or arbitral body or governmental instrumentality, or the charter or by-laws of the Participating Lender, or a default under any agreement or instrument by which it is bound or affected.

h. Neither the execution and delivery of the Mortgage Purchase Agreement, the origination and acquisition of the Mortgage Loans by the Participating Lender, the sale of the Mortgage Loans to the Agency or the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of the Mortgage Purchase Agreement will conflict with or result in a breach of the terms, conditions, or provisions of the Participating Lender's charter or by-laws, or any legal restriction of any agreement or instrument to which the Participating Lender is now a party or by which it is bound, or constitute a default, or result in an acceleration under any of the foregoing, or result in the violation of any law, regulation, order, judgment, or decree to which the Participating Lender or any of its property is subject, or impair the ability of the Agency to enforce any of the Mortgage Loans according to their terms, or impair the value of any of the Mortgage Loans.

i. Neither the making nor performance of the Mortgage Purchase Agreement by the Participating Lender requires the consent or approval of any governmental instrumentality or, if such consent or approval is required, it has been obtained in writing by the Participating Lender and submitted to the Agency prior to the execution of the Mortgage Purchase Agreement.

j. The Participating Lender will not knowingly take any action or permit any action to be taken which would impair the exemption from Federal income taxation on interest on the Agency's Qualified Mortgage Revenue Bonds.

k. The Participating Lender will comply with all procedures in this Guide relating to the acceptance and reporting of Mortgage Loan applications on a first-come first-served basis.

l. The Participating Lender will not sell or assign to the Agency any "covered home loan" or "high-cost home" loan as defined in the New Jersey Home Ownership Security Act of 2002, N.J.S.A. 46:10B-22 or a "high-cost mortgage" as defined under CFPB regulations. CFPB loan exemption for Housing Finance Agencies applies to the ATR/QM test only and not to high-cost test.

m. Neither the Mortgage Purchase Agreement nor any statement, report, or other document furnished or to be furnished by the Participating Lender pursuant to this Agreement contains any untrue statement of fact or omits a fact necessary to make the statements contained therein not misleading, and, to the best of Participating Lender's knowledge, no statement, report, or other document furnished by any party other than the Participating Lender in connection with this Agreement contains any untrue statement of fact or omits a fact necessary to make the statement contained therein not misleading.

n. The Participating Lender shall comply with all statutes, rules, and regulations applicable to its activities under the Mortgage Purchase Agreement, including without limitation, any rule or regulation of Participating Lender's Federal prudential regulator or, if applicable, the State of New Jersey, Department of Banking and Insurance, or any other regulatory body having jurisdiction over the Participating Lender. At all times, the Participating Lender shall be properly licensed and in compliance with Applicable Laws, registration, and reporting requirements of the State, Federal, or other applicable and relevant authorities governing lending and mortgage related activities, including the CFPB and HUD.

o. The Participating Lender shall comply with all Office of Foreign Assets Control (OFAC) requirements including establishing and maintaining OFAC policies and procedures. Participating Lenders may not deliver any Mortgage Loan in which the Borrower is a Specially Designated National (SDN) and on the Blocked Persons List maintained by OFAC. It is the Participating Lender's responsibility to screen, determine, and verify that each Borrower is not listed on the most recent OFAC SDN list.

p. The Participating Lender is not subject to federal debarment or suspension for engaging in fraudulent, predatory, or discriminatory lending, or for engaging in redlining activities, and is not under investigation for its lending practices by any State or Federal authority with jurisdiction over the Participating Lender.

q. The Participating Lender is a lending institution that has been approved to participate in any of the Agency's Mortgage Programs described in this Guide.

r. The Participating Lender does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in the Mortgage Purchase Agreement.

s. The Participating Lender, upon learning that any violation of these provisions has occurred or may occur, shall immediately notify the Agency in writing.

t. The Participating Lender, by execution of the Mortgage Purchase Agreement and by the submission of any bills or invoices for payment, or acceptance of payment pursuant thereto, certifies and represents that it has not violated any of these provisions.

The representations, warranties, and covenants contained in this Section shall be true and correct when made, and by accepting payment for each Mortgage Loan on its respective Purchase Date, the Participating Lender shall be deemed to affirm that these representations,

warranties, and covenants remain true and correct as of that Purchase Date and continuing thereafter until the parties have no further obligations under the Mortgage Purchase Agreement for that Mortgage Loan's purchase.

2-2: PARTICIPATING LENDER INTEGRITY, RESPONSIBILITY, AND NONDISCRIMINATION.
As a condition of approval to originate Mortgage Loans and by accepting payment for Mortgage Loans, the Participating Lender has agreed, and continues to agree to the following standards of integrity, responsibility, and non-discrimination:

a. The Participating Lender shall maintain the highest standards of integrity in the performance of the Mortgage Purchase Agreement and shall take no action in violation of State or Federal laws, regulations, or other requirements that govern contracting with the Agency.

b. The Participating Lender shall not discriminate against any Borrower, Co-Signer, or applicant for a Mortgage Loan because of race, creed, color, national origin, ancestry, age, marital status, affectional or sexual orientation, familial status, disability, liability for service in the Armed Forces of the United States, nationality, sex, gender identity or expression or source of lawful income used for rental or mortgage payments, or other characteristics protected under the New Jersey Law Against Discrimination, as the same may be amended from time to time, subject only to conditions and limitations applicable alike to all persons.~~The Participating Lender shall not discriminate against any Borrower, Co-Signer, or applicant for a Mortgage Loan because of race, color, religious creed, ancestry, handicap, national origin, age, or sex or any other basis protected under the New Jersey Law Against Discrimination.~~

c. The Participating Lender will not engage in any unfair, deceptive, or abusive acts or practices under State and/or Federal consumer protection laws when accepting applications; dealing with applicants, Borrowers, and/or Co-Signers for Mortgage Loans; and/or in originating the Mortgage Loans.

d. It is the policy of the NJHMFA not to originate, purchase or accept assignment of any predatory loan, and in particular any "covered home loan" or "high-cost home loan" as defined by the New Jersey Home Ownership Security Act of 2002 ("HOSA"), N.J.S.A. 46:10B-22. Therefore, the Participating Lender has represented in the Mortgage Purchase Agreement that it will not sell or assign to the Agency any "covered home loan" or "high-cost home loan" as defined by the HOSA, or a "high-cost mortgage" as defined in CFPB regulations.

e. The Participating Lender shall not disclose to others any **confidential information** gained, from whatever source, by virtue of the Mortgage Purchase Agreement.

f. The Participating Lender shall not, in connection with this or any other agreement with the State and/or the Agency, directly or indirectly, offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for the decision, opinion, recommendation, vote, other exercise of discretion, or violation of a known legal duty by any officer or employee of the State and/or the Agency.

g. Upon request of the Agency; the State of New Jersey, Department of Law and Public Safety; or any other State or Federal governmental entity with regulatory or prosecutorial authority over the Lender and/or the Mortgage Loans, the Lender shall promptly make available for inspection, copying, and auditing, all business and financial records of the Lender of, concerning, and referring to the Mortgage Purchase Agreement, or which are otherwise relevant to the enforcement of these provisions or the Mortgage Loans offered to the Agency hereunder. This right of access will continue for the term of any document retention requirement relating to the Mortgage Loan under Applicable Laws, the term of any document retention requirements of any insurer and/or guarantor of the Mortgage Loans, or seven (7) years of the date the Agency purchases the loan, ***whichever is longer.***

h. In order to ensure that all persons meet a standard of responsibility which assures the Agency, the State and its citizens that such persons will both compete and perform honestly in their dealings with the Agency and avoid conflicts of interest, all persons are prohibited from engaging in the following activities:

(i) No person shall pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any Agency member or employee or to any member of the immediate family, as defined by N.J.S.A. 52:13D–13i, of any such member or employee, or to any partnership, firm, or corporation with which such member, employee or member of their immediate family is employed or associated, or in which such member or employee has an interest within the meaning of N.J.S.A. 52:13D–13g.

(ii) No person shall, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such person to, any Agency member or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the Agency. No person shall, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such person to any individual, firm or entity with which such member or employee is employed or associated or has an interest within the meaning of N.J.S.A. 52:13D–13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the member or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

(iii) No person shall influence, or attempt to influence or cause to be influenced, any Agency member or employee in his official capacity in any manner which might tend to impair the objectivity or independence of judgment of said member or employee.

(iv) No person shall cause or influence, or attempt to cause or influence, any Agency member or employee to use, or attempt to use, his official position to secure unwarranted privileges or advantages for the person or any other individual or entity.

i. All persons shall report to the Attorney General of New Jersey and the State Ethics Commission the solicitation of such persons of any fee, commission, compensation, gift, gratuity or other thing of value by an Agency member or employee.

j. The prohibited activities in h(i) ~~H1~~ through h(iv)4 above shall not be construed to prohibit a person from offering or giving gifts to or contracting with an Agency member or employee, nor be construed to prohibit an Agency member or employee from receiving gifts from or contracting with a person, and shall not be grounds for debarment pursuant to N.J.A.C. 5:80–18.2(a)15, provided that such activities are offered or made under the same terms and conditions that are available to members of the general public and are consistent with any rules promulgated by the State Ethics Commission.

k. For violation of any of the provisions of this Section, the Agency may terminate the Mortgage Purchase Agreement and any other Agreement with the Participating Lender, claim liquidated damages in an amount equal to the value of anything received in breach of these provisions, claim damages for all expenses incurred in obtaining another entity to complete performance hereunder, and debar and/or seek suspension of the Participating Lender from doing business with the Agency. These rights and remedies are cumulative, and the use or nonuse of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Agency may have under this Agreement, the Mortgage Purchase Agreement, or under any law, statute, or regulation.

l. The Participating Lender, upon learning that any violation of these provisions has occurred or may occur, shall immediately notify the Agency in writing.

m. The Participating Lender, by execution of the Mortgage Purchase Agreement and by the submission of any bills or invoices for payment, or acceptance of payment pursuant thereto, certifies and represents that it has not violated any of these provisions.

Chapter 3

FIRST MORTGAGE PRODUCTS

3-1: NJHMFA-SPECIFIC GUIDELINES APPLICABLE TO ALL PRODUCTS

Loans must comply with the respective program-specific eligibility criteria set forth in this Participating Lender's Guide as well as all applicable Federal guidelines, depending on the loan type and program (FHA, VA, USDA, Fannie Mae or Freddie Mac). However, the following are some universal guidance applicable to all Agency purchase money consumer loans subject to this Guide. **It is the Participating Lender's responsibility to fully read this Guide to ensure that Mortgage Loans are properly underwritten, and Borrowers are properly qualified.**

Note: Regardless of seasoning status, NJHMFA will not approve or purchase loans previously denied by another investor. Exceptions may be considered on a case-by case basis.

a. REQUIREMENTS FOR ANY AND ALL GOVERNMENT INSURED/GUARANTEED LOANS (REFER TO EACH PROGRAM FOR ELIGIBILITY WITH THE INSURER/GUARANTOR)

(i) FHA Insured Mortgage Loans:

FHA insured Mortgage Loans are eligible for sale to NJHMFA under the NJHMFA First-Time Home Buyer Programs and NJHMFA Homeward Bound Program. These Mortgage Loans must adhere to all applicable FHA underwriting guidelines, as well as all applicable NJHMFA-specific guidelines as contained in this Guide.

The Participating Lender must be approved by HUD as a Title II Supervised or Non-Supervised Mortgagee and must have Direct Endorsement (DE) underwriting authority.

Non-occupant Co-Borrowers are not permitted on FHA insured Mortgage Loans under NJHMFA's First-Time Home Buyer Program, but may be permitted, with certain conditions, under the NJHMFA Homeward Bound Program.

The Agency will purchase both Single Family Dwelling and Multiple Unit Dwelling properties under the FHA 203(b) loan program. The Mortgage Loans must be reviewed and approved by the Participating Lender's Direct Endorsement Underwriter as Mortgage Loans eligible for FHA insurance.

(ii) USDA Guaranteed Mortgage Loans:

USDA guaranteed Mortgage Loans are eligible for sale to NJHMFA under the NJHMFA First-Time Home Buyer Program and NJHMFA Homeward Bound

Program. USDA guaranteed Mortgage Loans must ~~-~~comply with all applicable USDA underwriting guidelines, as well as all applicable NJHMFA-specific guidelines contained in this Guide.

For USDA guaranteed loans, the Participating Lender must be approved by the United States Department of Agriculture (USDA) for underwriting.

(iii) VA Guaranteed Mortgage Loans:
VA guaranteed Mortgage Loans are eligible for sale to NJHMFA under the NJHMFA First-Time Home Buyer Program and the NJHMFA Homeward Bound Program. These Mortgage Loans must also comply with all applicable VA underwriting guidelines, as well as all applicable NJHMFA-specific guidelines contained in this Guide.

The Participating Lender must have Automatic Authority (also known as Authority to Close Loan on an Automatic Basis) from the VA; this can be a supervised Lender or a Non-Supervised Lender with Automatic Authority. If the Participating Lender is underwriting the appraisal in-house, they must also have Lender Appraisal Processing Program (LAPP) approval. The Notice of Value (NOV) shall be provided to NJHMFA on all VA loans.

b. Subordinate Loans:
A subordinate loan from a government entity is acceptable for down payment, closing cost assistance or rehabilitation as long as the insurer or guarantor of the first Mortgage Loan approves the subordinate loan. Any subordinate mortgage loan offered by an entity other than the Agency must be subordinate to all Agency Mortgage Loans for the Property. The PFRS Mortgage Loan Program has its own subordinate loan guidelines. Please refer to the PFRS section for those requirements.

c. Escrows
Property taxes and insurance (mortgage, homeowners and flood) must be escrowed regardless of LTV.

d. Loan Terms
Each mortgage loan must be for a term of thirty (30) years, at the fixed interest rate specified on the reservation confirmation from the ~~ILRS~~Lender Portal, with level monthly payment provisions. The thirty-year term is both a minimum and maximum term for Mortgage Loans except for down payment assistance loans and PFRS Mortgage Loan Program Loans. The PFRS Mortgage Loan Program allows for terms less than thirty (30) years with a maximum of thirty (30) years. The down payment assistance loans have a maximum term of five (5) years.

e. Mortgage Amounts

All mortgage amounts must be rounded down to the nearest dollar.

f. Reserves

The Agency requires one (1) month of reserves on all Homebuyer programs. This requirement does not apply to PFRS loans. All loans are required to have one (1) month of reserves of the monthly mortgage payment available as assets in Borrower accounts prior to the Agency issuing an approval. If the GSE/Insurer Guidelines contain more restrictive reserve or source of funds requirements, the more restrictive will prevail.

g. Federal Tax Returns

Borrower~~'~~s that do not have the required federal tax returns to provide because they are not U.S. citizens, have lived abroad and have not filed must provide evidence that they have not filed using an IRS Verification of Nonfiling Letter (VNF). A VNF will provide proof from the IRS that there no record of a filed tax form (1040, 1040A, or 1040EZ) for the year requested. Lenders must abide by all GSE/insurer requirements regarding citizenship and eligibility.

h. Manual Underwrite

Follow GSE/Insurer guidelines regarding the need and process for manual underwriting. Review Chapter 5 to determine program eligibility for manual underwriting. The loan may not be eligible for financing based on Agency overlays.

i. Underground Oil Tanks

This requirement does not pertain to above ground oil tanks or oil tanks located in the basement of the subject property.

The Agency will not purchase a loan from a Lender if an oil tank is in the ground. If the oil tank was removed, the Agency requires evidence of removal from a licensed, certified contractor and an NFA (No Further Action) letter when applicable.

3-2: NJHMFA FIRST-TIME HOMEBUYER PROGRAM (MRB Funded – Limited Delegation of Underwriting)

a. Program Overview

Home purchase loans are available to qualifying homebuyers throughout the State of New Jersey under NJHMFA's First-Time Homebuyer Program. Both new and existing homes may be eligible for Agency financing except as otherwise specified in this Guide. Because the NJHMFA intends to use tax-exempt Qualified Mortgage Revenue Bonds

(MRB's) to fund loans under the NJHMFA First-Time Homebuyer Program, the loans must comply with certain requirements as set forth by the IRS and as described in this Section.

Monthly Debt to Income Ratio (DTI): The Agency requires that the DTI ratio as calculated in accordance with all Insurer/Investor guidelines not exceed 47% for loans in the First-Time Homebuyer Program. Exceptions to DTI are not eligible for the First Time Homebuyer Program.

Borrowers must have a minimum representative credit score of 620.

In addition to the limits in this section, any loan with a representative credit score below 660 may not exceed 45% DTI.

First-Time Homebuyer maximum DTI ratios per loan type:
- FHA – 40/47
- VA – 47
- USDA – 32/44, Guaranteed Underwriting System (GUS) approval required.

~~**In addition to the limits above, any loan with a representative credit score below 660 may not exceed 45% DTI.**~~

b. Borrower Eligibility:

All buyers applying for a NJHMFA First-Time Homebuyer Mortgage Loan must complete a Mortgagor's Affidavit (HMFA 300), to acknowledge that they understand the program requirements and to attest that they meet them. The Participating Lender is also required to sign this form to indicate that the Participating Lender explained the form and its meaning to the Borrower.

The Property seller must complete, sign and have notarized the Property Seller's Affidavit (HMFA 161) at closing to verify compliance with the program requirements. E-signatures are not acceptable.

Borrowers must be individuals; Corporate or other entities are not allowed to utilize the First Time Homebuyer program. Trusts are not permitted.

Borrowers are not eligible for NJHMFA DPA if they have ever had a foreclosure or deed in lieu of foreclosure.

DPA is limited to one per person per lifetime. NJHMFA may consider approving a second DPA, at the sole discretion of NJHMFA. A letter of explanation will be required with the reason for DPA consideration. NJHMFA will review for performance history, date of the first loan, type of program, payoff date and circumstances related to the payoff.

The primary eligibility requirements for the NJHMFA First-Time Homebuyer Program are listed below.

(i) **First-Time Homebuyer:**

All Borrowers, co-borrowers, co-mortgagors, non-borrowing spouse and legal Domestic Partners must be first-time homebuyers. Non-occupying co-borrowers are not permitted. A First Time Homebuyer is defined as someone who has not had an ownership interest in (not listed on the deed of) their principal residence during the previous three years.

The first-time homebuyer requirement does not apply if the Borrower is purchasing in a Target Area. Target Areas are indicated on the Agency's website under "Purchase Price and Income Limits List".

Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be First-Time Home Buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing. All other product-specific eligibility requirements must be met, including all additional First Generation requirements for borrowers using the First Generation Smart Start DPA.

Any retained property must be evidenced to the satisfaction of NJHMFA that it is not a primary residence and will not be used as a primary residence post-closing.

Examples of "ownership interests" are:

1. A fee simple interest;
2. A joint tenancy, tenancy in common or tenancy by the entirety;
3. The interest of a tenant-shareholder in a cooperative;
4. A life estate;
5. The interest of a purchaser under a land contract or installment sales agreement with a term that exceeds 24 months and under which the purchaser takes possession even though legal title is not transferred until some later time;
6. An interest held in trust for the person (whether or not created by the person) that would constitute as present ownership interest held directly by the person; or

7. An ownership interest in a mobile home or other factory-made housing that was permanently affixed to land owned by the person.

Examples of interests that do not constitute "ownership interests" are:

1. Ownership of a mobile/manufactured home on a rented lot;
2. A remainder of interest;
3. A lease with or without an option to purchase;
4. A mere expectancy to inherit an interest in a principal residence;
5. The interest that a purchaser of a residence acquires upon the execution of a standard purchase contract, without a right of possession; or
6. An ownership interest in other than a principal residence during the previous three (3) years.

(ii) **Income Limit:**

The Annual Household Income for all borrowers, co-borrowers and co-mortgagors, including non-borrowing spouses and domestic partners, all of which are required to occupy the dwelling within 60 days of the Closing Date, must not exceed the NJHMFA First-Time Homebuyer Program income limit applicable to the property's county. The income limits per county are set forth on the Agency's website. All sources of income must be included when calculating the compliance income on the first mortgage. If income is disclosed on the documentation sent to the agency, NJHMFA will use the income in the income limit calculation unless there is sufficient documentation verifying that the income will not continue in the future.

The total Annual Household Income is to be calculated at the time of application and set forth in the Mortgagor's Affidavit (HMFA 300). If this income increases after the date of application or the loan does not close within four (4) months of application, the income must be re-certified and the Mortgagor's Affidavit (HMFA 300) must have the new income amount written on to the form at the end of Item 4. Annualized Gross Income, and initialed and dated by all Mortgagors who are part of the transaction and the Participating Lender.

If the new Annual Household Income exceeds the Income Limit for the area in which the Property is being purchased, the applicant is **no longer** eligible for the program.

Care must be exercised when determining household size, especially when there is a change between the time of application and closing (for example, if it is determined that more or ~~less~~ fewer people will reside in the property within 60 days from closing). **The Mortgage Loan cannot close under this program if the Borrower no longer meets the income requirements.**

The following sources of income must be included for determining Borrower eligibility against the maximum allowable income, even if the income is not used for qualifying purposes.   These income types include, but are not limited to:

1. Gross income, before any payroll deductions, of wages, salaries (including consistent part-time, overtime, commissions, fees, bonuses and tips for two (2) years);
2. Net income from operation of a business or profession;
3. Income from trusts and investments;
4. Interest dividends, royalties, net rentals and other net income from real or personal property;
5. Periodic payments from the Social Security Administration, annuities, insurance policies, retirement funds, pensions, VA compensation, disability or death benefits and other similar types of periodic payments;
6. Payments in lieu of earnings, such as unemployment and disability compensation, sick pay, worker's compensation and severance pay;
7. Public assistance income, where payments include amounts specifically designated for shelter and utilities;
8. Periodic and determinable allowances, such as alimony and child support, and regular contributions or gifts from persons not residing in the dwelling;
9. All regular and special pay and allowances of members of the United States Armed Forces (whether or not living in the dwelling) who are the head of the family or spouse except as set forth below;
10. Any employer-related benefit such as a company car (for which a $200 per month amount is assigned), car allowance, etc.; and
11. Participating Lenders are to be further guided by the first mortgage insurer's guidelines.

The following can be excluded:

1. Casual, sporadic or irregular gifts;
2. Amounts that are specifically for reimbursement of medical expenses;
3. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
4. Amounts of education scholarships paid directly to the student or the education institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment, but in any such case, only to the extent used for such purposes;
5. Special pay to a serviceman head of family who is away from home and exposed to hostile fire;

6. Relocation payments under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
7. Foster childcare payments (unless it is included in income used for qualifying);
8. Payments received pursuant to participation in ACTION volunteer programs; and
9. Income from the employment of children (including foster children) under the age of 18 years.

(iii) Purchase Price Limit:
The purchase price of the Property cannot exceed the NJHMFA First-Time Homebuyer Program purchase price limit applicable to the property's county. This includes all costs for a complete home and is also known as the Acquisition Cost.

1. New Construction
The First-Time Homebuyer Program does not provide construction financing but may be used to purchase a newly constructed Single Family Dwelling or Multiple Unit Dwelling in a Target Area. However, the dwelling must be habitable by the Closing Date. Note that associated Down Payment Assistance programs may not allow financing on newly constructed properties. In such cases, the more restrictive guideline shall prevail.

2. Purchase Price and LTV Calculations

Refer to the underlying Investor/Insurer Guidelines. Additionally, purchase price and LTV may not exceed maximum limits listed elsewhere in this Guide or on the Agency website.

c. **Property Eligibility:**

(i) The Property must meet the respective guidelines for the type of financing being obtained and according to the Property's characteristics, as set forth in this Guide at Chapter 7.

(ii) The Property must also satisfy all applicable requirements set forth in this Participating Lender's Guide (e.g., Wood Destroying Insect Certifications, Well Certifications, etc.).

(iii) The Property must be a Single Family Dwelling, including condominium, co-op, townhouse/PUD, and manufactured or mobile home which is permanently affixed to real property owned by the borrower, that will be the Borrower's primary residence. 2-4-unit dwellings in which the owner uses one unit as his or her primary residence and may rent one or more of the remainder that has been used as a residence for the previous five years are also eligible. Two-unit dwellings located in a Target Area that will be used for residential purposes need not meet the five-year requirement.

(iv) Mixed use properties, land only, properties with underground oil tanks and condotels are not eligible.

d. Recapture Tax:

A Federal tax known as the "Recapture Tax" became effective for all MRB-funded Mortgage Loans that closed after January 1, 1991. As enacted, a Borrower may be subject to this tax if the home is sold, refinanced, or disposed of within nine years of the purchase. The tax would be payable with the Borrower's Federal Income Tax Return for the year in which the home was disposed of. The maximum tax is 6.25 percent of the mortgage amount or 50 percent of the gain on the sale, whichever is **less.** There are other factors that affect the amount of tax which may be due, including family size and income at the time of the disposition of the Property.

e. No Refinances:

The Mortgage Loan must be a new Mortgage Loan on the Property for the Borrower. Thus, if the Borrower has paid off a previous permanent loan on the Property or is seeking to refinance an existing permanent loan, the Borrower is not eligible for this program. The loan must be made to finance the purchase of the property.

f. Loan Assumptions:

Assumptions are permitted only with the approval of the Agency, acting in its sole discretion, and then, only if all requirements of the applicable sections of the Code, including the income limitation principal residence requirement, and three-year non-homeowner requirement and the purchase price limitations are met with respect to the assumption. The Code also provides for an acceleration of the Mortgage Loan if the mortgagor sells, rents, or otherwise transfers any interest in the property without prior approval of the Agency or fails to occupy the premises as a principal residence.

The Participating Lender must make the Borrower aware that when he or she seeks to sell his or her home, if he or she offers a loan assumption, the household assuming the loan must:

(i) Occupy the Property as their principal residence;

(ii) Qualify under the "first-time" homeowner or "three (3) year" ~~-~~requirements (except in target areas;

(iii) Purchase the Property at a price that does not exceed the NJHMFA Maximum Purchase Price Limit in effect at the time of the assumption; and

(iv) The amount assumed may not exceed the payoff amount.

When the assumption occurs, the residence is considered to be an existing property for NJHMFA purposes, regardless of the fact that the home was considered new when the Mortgage Loan closed. The Participating Lender must also inform the Borrower that if they allow someone to assume their Mortgage Loan, both the Borrower and the assuming Borrower may be subject to Federal Recapture Tax, if the sale occurs within nine (9) years following the original closing date.

Under no circumstances is the DPA assumable. Any outstanding DPA loan amount must be paid off at time of transfer of ownership.

3-3: NJHMFA HOMEWARD BOUND PROGRAM
(May be sold in secondary market – Full Delegation of Underwriting)

a. Program Overview:

The Homeward Bound Program provides first priority mortgage financing on Mortgage Loans insured by FHA or guaranteed by USDA/VA. Mortgage Loans are underwritten using the guidelines of the respective federal agency providing the insurance/guaranty. NJHMFA does not impose any additional guidelines except as noted in this Guide. A Mortgage Loan under this program may be provided to a new homeowner or for a trade up or trade down purchase.

The Homeward Bound Program permits the qualifying income calculation to be used as the compliance income.

Borrowers must have a minimum representative credit score of 620.

In addition to any of the limits in this section, any loan with a representative credit score below 660 may not exceed 45% DTI.

Homeward Bound maximum DTI ratios per loan type:

- FHA – 40/50
- VA – 50
- USDA – 32/44, Guaranteed Underwriting System (GUS) approval required.

~~In addition to any of the limits above, any loan with a representative credit score below 660 may not exceed 45% DTI.~~

DPA is only available for Borrowers in this program who have not had an ownership interest in a principal residence within the last three years from Note date.

b. Borrower Eligibility:

Borrower eligibility is determined by the respective Federal agency guidelines. There are no NJHMFA-specific purchase price limits. Income limits apply with or without NJHMFA DPA usage. See Program Fact Sheet for applicable income limits. Additionally, occupying Borrowers do not have to be First-Time Homebuyers to be eligible for this purchase money mortgage loan unless the purchase transaction will also include NJHMFA DPA. In that case, all occupying Borrowers must meet that standard.

Non-occupying Co-Borrowers are eligible and do not need to meet First-Time Home Buyer definition. Verification of housing expenses will be required for evidence of rent, mortgage, and other related expenses (i.e., copy of lease or tax bill).

Borrowers must be individuals; Corporate or other entities are not allowed to utilize the Homeward Bound program. Trusts are not permitted.

Borrowers are not eligible for NJHMFA DPA if they have ever had a foreclosure or deed in lieu of foreclosure.

DPA is limited to one per person per lifetime. NJHMFA may consider approving a second DPA, at the sole discretion of NJHMFA. A letter of explanation will be required with the reason for DPA consideration. NJHMFA will review for performance history, date of the first loan, type of program, payoff date and circumstances related to the payoff.

c. Property Eligibility:

The Property must meet the respective guidelines for the type of financing being obtained and according to the Property's characteristics, as set forth in this Guide at Chapter 7.

The Property must also meet NJHMFA's guidelines as described in this Participating Lender's Guide (e.g., Wood Destroying Insect Certifications, Well Certifications, etc.).

The Property must be a Single Family Dwelling, including condominium, co-op, townhouse/PUD, and manufactured or mobile home which is permanently affixed to real property owned by the borrower, that will be the Borrower's primary residence or Multiple Unit Dwelling.

Mixed use properties, land only, ~~properties with underground oil tanks~~ and condotels are not eligible.

d. Participating Lender Underwriting and Closing Procedures:

(i) **Underwriting (Full Delegation)**:
NJHMFA Homeward Bound Program Mortgage Loans are underwritten, closed and funded according to NJHMFA's standard procedures as outlined in this Participating Lender's Guide and the Mortgage Purchase Agreement. Any exceptions to standard procedures for this program are noted in this Section. These Mortgage Loans must also comply with all applicable requirements of the respective Federal government agency (FHA, USDA or VA).

Use the applicable Checklist Form HMFA 99 for Underwriting File submission.

(ii) **Closing:**
Closing documentation must satisfy any requirements of the applicable loan guarantor or insurer and this program's document checklist.

The following NJHMFA-specific documents are NOT to be executed at closing for Homeward Bound Mortgage Loans:

1. Mortgagor's/Seller's Affidavit (HMFA 300);
2. Property Seller's Affidavit (HMFA 161);
3. Recapture Tax Notice (HMFA 520);
4. Loan Reservation Acknowledgment (HMFA 306);
5. 1-4 Family Tax Exempt Financing Rider (HMFA 612); and
6. ~~Condo Warranty (FMFA 0016)~~

3-4: NJHMFA STAY AT HOME PROGRAM
Program currently suspended and not available for use.

3-5: POLICE AND FIREMEN'S RETIREMENT SYSTEM (PFRS) MORTGAGE LOAN PROGRAM (Full Delegation of Underwriting)

At this time, refinance eligibility has been suspended.

Program Overview:
The PFRS Program is available to members of the PFRS who are also First-Time Home Buyers, trade-up or trade-down buyers.
This program is subject to funding availability as determined by the Board of Trustees of the PFRS.

Borrowers must have a minimum representative credit score of 620.

PFRS maximum DTI ratios: 36/45

a. Participating Lender Qualifications and Requirements:

(i) Participating Lender Compensation-Origination:

In addition to the Participating Lender's standard lender fee, Borrowers will be charged a flat fee of $1,500.

Up to one-half of this origination fee may be collected from the Borrower by the Lender at the time of Mortgage Loan application. The balance of the Participating Lender's fee, plus the NJHMFA's administrative fee of $325, will be collected by the Participating Lender at closing. Fees shall be appropriately characterized, e.g., "application," "commitment," "administrative," etc., as required by Applicable Law.

The portion of the fee paid at the time of application is non-refundable unless the Mortgage Loan is denied for credit or Property reasons. If the applicant cancels the Mortgage Loan application for any other reason, the Participating Lender may retain the fee collected at the time of application, subject to Applicable Law. Mortgage Loan reservations that go beyond 180 days may be automatically canceled and the Participating Lender will be required to pay a $250 cancellation fee to the Agency. Mortgage Loans which are reserved under a new rate are not subject to the cancellation fee if canceled before 180 days, and for reasons other than credit or property deficiencies.

PFRS monthly servicing fee to be included in monthly payment as disclosed to borrowers and reflected on the first payment letter and their pay history.

b. Program Requirements

(i) Underwriting (Full Delegation):

All PFRS Mortgage Loans are to be underwritten by the Participating Lender according to Fannie Mae standards, the Mortgage Purchase Agreement, and this Guide.

(ii) Rate/Term:

1. Fixed rate maximum 30-year mortgage (on a case-by-case basis, the term may be lower, but in all events, the rate will be fixed).

2. Rates are set twice a year, on February 15 and August 15. The rates are in the ~~ILRS.~~Lender Portal.

(iii) Mortgage Loan Reservations:

All loans must be reserved within five (5) business days of the Participating Lender's receipt of the Mortgage Loan application. Reservations are to be made on-line through the Internet Loan Reservation System.

1. The interest rate for each Borrower will be set at the time of loan reservation. For an existing home, this rate will be locked for 180 days, subject to reservation and timely renewal at the Participating Lender's expense, as set forth in Chapter 6.

2. For new construction, the Mortgage Loan will be reserved for 270 days.

3. Each of these rates will expire under the deadlines set forth above unless the Participating Lender obtains extensions prior to expiration, if permitted by this Guide.

4. If an extension of the existing rate is necessary and permitted, there will be a $250 extension fee charged on the Mortgage Loan and the Mortgage Loan will be re-reserved at the applied rate (subject to the availability of funds). An extension will be for 30 days from the existing expiration date applied upon the receipt of the $250 fee; multiple 30-day extensions may be timely obtained by the Participating Lender for additional $250 extension fees (subject to availability of funds). Any extension fees incurred shall be paid by the Lender and the Lender may pass the fee on to the borrower. This must be a flat fee of $250 and not charged in points.

   If an interest rate change is requested and permitted, there will be a $250 fee charged on the existing mortgage loan due at the time of the rate change. The interest rate change will not change the loan's expiration date. Any interest rate change fee incurred may be paid by the Lender or the Lender may pass the fee on to the borrower. This must be a flat fee of $250 and not charged in points.

   Lender to provide prior Change of Circumstance (COC) with a revised Loan Estimate or preliminary CD listing the rate extension fee in Section A-Origination Charges.

5. A PFRS Mortgage Loan can only be amended or cancelled pursuant to the process set forth in Chapter 6.

(iv) Use of Funds:

This program does not provide construction financing. Funds may be used by eligible Borrowers to:

1. Acquire an existing or newly constructed a one- or two-family residential property.

(v) Borrower Eligibility:

1. Any member of the Police and Firemen's Retirement System, with at least one year of creditable service and who, at the time of application was employed by the State, a county or municipal government or other political subdivision of the State.

2. Employee eligibility will be documented with the Verification of Employment (VOE). Employers will be required to sign an eligibility certification on the VOE.

(vi) Occupancy Requirement:

1. Any member receiving a PFRS Mortgage Loan must occupy the residence as their principal dwelling within 120 days of loan closing.

2. Any member receiving a PFRS Mortgage Loan must occupy the residence as their principle dwelling for the life of the Mortgage Loan.

(vii) **Property Eligibility:**

1. Properties located in the State of New Jersey.

2. The Condominium project must be Fannie Mae approved.

3. One- and two-family structures on a single tax lot that are ready for occupancy.

(viii) Loan Amount Limits:

1. The maximum Mortgage Loan amount is as determined by Fannie Mae's general loan limits (not including limits for high-cost areas).

c. Loan Processing and Underwriting:

(i) The Participating Lender is responsible for the processing and underwriting of these Mortgage Loans. Approvals must follow Fannie Mae DU guidelines. The Mortgage Loan must have an Approve/Eligible recommendation. Participating Lenders are responsible to clear the DU conditions prior to loan submission to the NJHMFA. All other DU recommendations are not eligible. The NJHMFA will not provide prior approvals. The Participating Lender must:

1. Verify the eligibility of each Borrower through an addendum to the VOE. Verification from the employer is good for four (4) months. If the Mortgage Loan does not close within four (4) months of the date of the employer verification, the Participating Lender must secure a new employer certification. There is no flexibility on this certification.

2. Attach the form for verification of membership in the Police and Firemen's Retirement System to the VOE and ensure that it is completed in its entirety, and updated as required, by the Borrower's employer.

3. Submit most recent complete federal tax returns signed and dated with all pages and ~~-~~Schedules, or tax transcripts, ~~-~~for a minimum of one (1) year, for income qualifying purposes. Agency requirement would defer to the AUS (Automated Underwriting System) findings if those findings require more than one (1) year.

4. Borrower~~'~~s that do not have the required federal tax returns to provide because they are not U.S. citizens, have lived abroad and have not filed must provide evidence that they have not filed using an IRS Verification of Nonfiling Letter (VNF). A VNF will provide proof from the IRS that there no record of a filed tax form (1040, 1040A, or 1040EZ) for the year requested.

5. Make all disclosures as and when required under Applicable Law.

6. The maximum allowable Loan to Value is 85%.
- Ensure that all Mortgage Loans with LTV ratios in excess of 80.0% have the appropriate private mortgage insurance. Coverage is required to meet the levels provided in the AUS findings.
- Loans with LTV of 80.0% or less are not required to carry mortgage insurance.
- Private Mortgage Insurance companies must be Fannie Mae-approved.

7. Ensure that the appropriate loan insurer approves all condominium projects and that documentation of this approval is contained in the loan file.

8. Obtain an appraisal, containing a written certification signed by two persons from the same appraisal company that shall set forth the opinion of the signatories as to the value of the land and the improvements thereon. Failure of an appraisal to meet this requirement will make the Mortgage Loan ineligible for purchase.

(ii) Secondary Financing:

1. Secondary financing **is allowed** on purchase money Mortgage Loans as per Fannie Mae Guidelines. Such financing must be subordinate to the

Agency's Mortgage Loan. NJHMFA DPA (including Smart Start and HomeSeeker) cannot be used with the PFRS Loan Program.

2. Secondary Financing **is not allowed** on refinance Mortgage Loans.

d. **Loan Purchase:**

(i) Participating Lenders are required to have the Purchase Package to the NJHMFA within 21 days of loan closing for purchases.

(ii) Upon receipt of the Purchase Package, the NJHMFA may proceed with the purchase of the loan. Incomplete or mis-ordered Purchase Packages will be returned to the Participating Lender. The Participating Lender must allow up to 14 working days for the review of and decision on the purchase.

(iii) The NJHMFA will purchase all Mortgage Loans at 100% of the unpaid principal balance plus accrued interest.

(iv) All Mortgage Loans must be current at the time of purchase.

(v) Mortgage loan packages received for audit will be purchased and funds disbursed within three (3) business days pending an accurate payment history and purchase authorization. Reference GSE/Insurer guidelines for payment history requirements.

e. **Servicing:**

The NJHMFA has contracted with a sub-servicer to service all of these Mortgage Loans.

f. **Final Documents:**

Participating Lenders have 120 calendar days to submit final documents to the NJHMFA.

g. **Assumption:**

Mortgage Loans shall not be transferred or assigned to any person except that in the event of death of a member, the mortgage may be assigned to the surviving spouse, if the spouse is the sole heir to the Property.

~~**3-6: NJHMFA 100% FINANCING PROGRAM**~~
~~***(NJHMFA Originated - Not available for Participating Lenders)***~~

~~a. **Program Overview:**~~

~~(i) **Mortgage Loan Maturity**:~~
~~30 Year Maximum Term.~~

~~(ii) **Purchase Price Limits**:~~
~~Purchase price limits exist for both statewide and Target Areas. See the purchase price/income limit terms sheet on the Agency's website under "Purchase Price and Income Limits List".~~

~~(iii) **Charges to the Borrower**:~~
~~Borrowers will be charged an application fee when the application is taken. This fee will cover actual costs of third-party services for the credit report(s), appraisal, flood certification, tax servicing fee, and other third-party expenses actually incurred during processing.~~

~~(iv) **Down Payment Requirement**:~~
~~The Borrower will be able to finance the full sales price if the LTV does not exceed 100%.~~

~~The Loan-to-value percentage is the unpaid balance of the mortgage principal to the appraised value or sale price (whichever is lower) of the Property.~~

~~(v) **Closing Costs:**~~
~~Borrower may finance closing costs if the LTV does exceed the specified appraised market value. Such financing must be subordinate to this Mortgage Loan and may be provided through a down payment assistance loan. The Borrower must have funds to cover Escrows required at closing.~~

~~b. **Borrower Eligibility:**~~
~~The NJHMFA 100% Financing Program is available to individuals only. Corporations are not permitted to act as borrowers. Borrowers must be First-Time Homebuyers. Borrowers purchasing properties located in Target Areas do not have to be first-time homebuyers (reference Chapter 3, page 5); however, at the time of loan closing, no other residential properties may be owned. To see what areas in New Jersey are designated as Target Areas, please visit the Agency's website.~~

~~(i) **Income Guidelines:**~~
~~Borrowers must meet the guidelines as listed on the Agency's website.~~

~~The annual gross household income may not exceed the income limit set for the areas in which the mortgagor is purchasing. Income limit is determined by family size as well as area of purchase.~~

~~**(ii) Home Buyer Education**:~~
~~Borrowers must participate in home ownership and personal finance counseling/education sessions sponsored by the NJHMFA. Borrowers must be issued a completion certificate after the counseling is completed and provide the certificate to Agency Staff.~~

~~1. The Borrowers are required to attend three (3) counseling sessions. Two (2) pre-purchase sessions must be completed before the Closing Date is scheduled.~~

~~2. NJHMFA will direct Borrowers to their post-closing session approximately two to three months after closing has occurred.~~

~~3. The counseling agency will be compensated by the NJHMFA and will certify to the NJHMFA that the applicant has successfully completed the required sessions. The Housing Certificate must be issued less than one one (1) year prior to the closing date.~~

~~4. **Previous Foreclosure**:~~
~~Applicants who have been a defendant mortgagor in a mortgage foreclosure proceeding should be subject to current FNMA underwriting guidelines. Participating Lenders are to refer to the Fannie Mae Selling Guide for the applicable eligibility guidelines.~~

~~**c. Property Eligibility:**~~
~~THIS PROGRAM IS CURRENTLY LIMITED TO PROJECTS FINANCED UNDER THE AGENCY'S CHOICE PROGRAM.~~

~~(i) Subsidized housing units in Agency-approved projects.~~

~~(ii) Units can be existing or newly constructed properties.~~

~~(iii) The Property must be owner occupied within 60 days of closing.~~

~~**d. Underwriting Requirements and Procedures:**~~
~~(i) Properties must be located in one of the NJHMFA's approved projects. All Mortgage Loans are originated, processed and underwritten according to the~~

~~requirements specified in the First-Time Homebuyer Program with the following exceptions:~~

~~1. Applicants at the time of Mortgage Loan application must provide evidence of the greater of $800 or the required prepaid escrows as their own assets, plus the required application fee.~~

~~2. Qualifying ratios for all 100% Program Mortgage Loans are 28/36 unless:~~

- ~~The applicant is making a down payment toward the purchase of the Property of at least 10% and these funds are from their own assets;~~
- ~~applicant has demonstrated an ability to devote a greater portion of income to basic needs like housing expenses, which means rent for the previous 12 months is equal to or greater than the proposed housing expense;~~
- ~~applicant has accumulated savings of at least six (6) months PITI remaining after closing AND maintained a good credit history; or~~
- ~~applicant is debt free.~~

~~3. Originations:~~

- ~~The NJHMFA 100% Financing Program is limited to NJHMFA origination and the Mortgage Loans will be underwritten by Agency Staff and signed by the Underwriter, Underwriting Manager, Underwriting Supervisor, Director or Assistant Director of Single Family, and any Chief or the Executive Director. Approvals must follow Fannie Mae guidelines.~~

3-6~~7~~: NJHMFA HFA ADVANTAGE LOAN PROGRAM

(May be sold on secondary market – Full Delegation of Underwriting, all loans submitted to NJHMFA for pre-closing compliance review.)

a. Program Overview:

The Freddie Mac HFA Advantage Mortgage is a conventional mortgage loan product, offering affordable mortgage insurance and low down-payment requirements to credit worthy borrowers. The HFA Advantage Mortgage product is available to purchase a primary residence located anywhere within the State of New Jersey.

With the exception of any requirements or limitations listed below, the program lenders are to refer to Freddie Mac HFA Advantage guidelines for program related questions

Borrowers must have a minimum representative credit score of 620.

In addition to any of the limits in this section, any loan with a representative credit score below 660 may not exceed 45% DTI.

HFA Advantage maximum DTI Ratio: No Front/50%.

~~**In addition to any of the limits above, any loan with a representative credit score below 660 may not exceed 45% DTI.**~~

b. Borrower Eligibility:

(i) Borrowers must be individuals; Corporate or other entities are not allowed to utilize the HFA Advantage program. Trusts are not permitted.

(ii) Borrowers are not required to be First-Time Homebuyers to use the HFA Advantage program. Borrowers seeking to use Smart Start must also meet the requirements of the DPA program, which includes a First-Time Homebuyer requirement.

Borrowers using the HFA Advantage first-mortgage program may complete the Freddie Mac CreditSmart Homebuyer U Counseling Program and provide the Homebuyer U Certificate of Completion in lieu of using a HUD-approved housing counseling agency.

(iii) The primary borrower must occupy the mortgaged premises as their primary residence. No person can be a non-occupant co-borrower on more than two (2) NJHMFA mortgage loans. Occupancy must meet the underlying insurer/investor requirements if more restrictive.

Non-occupying Co-Borrowers are eligible and do not need to meet the First Time Home Buyer definition. Verification of housing expenses will be required for evidence of rent, mortgage and other related expenses (i.e., copy of lease or tax bill).

(iv) Borrowers are not eligible for NJHMFA DPA if they have ever had a foreclosure or deed in lieu of foreclosure.

DPA is limited to one per person per lifetime. NJHMFA may consider approving a second DPA, at the sole discretion of NJHMFA. A letter of explanation will be required with the reason for DPA consideration. NJHMFA will review for performance history, date of the first loan, type of program, payoff date and circumstances related to the payoff.

(vi) The HFA Advantage Program requires the qualifying income calculation as compliance income.

(vii) Property Eligibility

1. Property must be a new or existing single-unit home, manufactured home, condominium, PUD or Multiple Unit Dwelling.

- Co-ops are ineligible.
- Borrowers seeking to use HMFA DPA funds must also meet the property requirements of the DPA program.
- For Multiple Unit Dwellings, buyers must complete Landlord Homebuyer Education, as required by Freddie Mac.

2. Property must be maintained as occupying~~all~~ Borrowers' primary place of residence.

(viii) Mortgage Product Requirement

1. Fixed rate, conventional mortgage with a maximum term of thirty (30) years.

2. Refinances are not allowed.

3. Mortgage Insurance: Required monthly payment or single payment mortgage insurance amounts are determined by Freddie Mac. HFA Advantage Conventional Loans with a Loan-to-Value greater than 80% must carry mortgage insurance that meets Freddie Mac's requirements, from a Freddie Mac approved mortgage insurer.

~~1.~~4. Minimum coverage is determined by Freddie Mac and is subject to change. Minimum coverage is reduced for loans at or below 80% of Freddie Mac's calculated Area Median Income for the county.

5. FHA, VA and USDA loans are not eligible for this program.

~~2.~~6. High balance loans are not permitted.

~~(viii)~~(ix) **Income Limits**

1. Income limits are determined on an annual basis and will be posted by the Agency on its website, via Lender Bulletin.

c. Underwriting Eligibility

1. HFA Advantage loans do not have a specified maximum monthly housing expense (front-end) ratio.
2. Maximum Back-End Debt-to Income Ratio of 50%.
3. Maximum Loan-to-Value of 97%.
4. Maximum Combined Loan-to-Value of 105%.
5. AUS Results: Loans must score as "Accept/Eligible" in Freddie Mac's Loan Product Advisor (LPA). Manually underwritten loans are not permissible. Loans scored through other AUS systems are not permissible.
6. Non-borrower household Income should not be included when calculating qualifying income or the income maximum used for eligibility.
7. Must meet the GSE/Investor requirements if more restrictive.

Borrowers seeking to utilize HMFA DPA funds must also meet the requirements of the DPA program as well as any HFA Advantage requirements including income and purchase price limits. The most restrictive limit is the governing requirement.

Chapter 4

HOMEBUYER ASSISTANCE PROGRAMS

4-1: SMART START PROGRAM

a. PROGRAM OVERVIEW:

The Smart Start Program will provide an incentive to qualified homebuyers to purchase a primary residence in the State of New Jersey.

Smart Start loans are only available to eligible homebuyers who obtain first mortgage financing through one of the New Jersey Housing and Mortgage Finance Agency's ("NJHMFA") Single Family mortgage programs.

Smart Start may not be used with the PFRS mortgage program.

Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be First-Time Home Buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing. All other product-specific eligibility requirements must be met.

(i) AVAILABLE FUNDS:

As allocated by NJHMFA.

(ii) LOAN TERMS:

1. The Agency will make a Smart Start down payment and/or closing cost loan in an amount of $10,000, or $15,000, depending on the county of the property being financed.

County List	**Amount of Smart Start loan**
Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Union	$15,000.00
Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Salem, Sussex, Warren	$10,000.00

2. The interest rate on the Smart Start loan is 0% for a five (5) year forgivable term.

3. The Borrower may repay the unpaid principal in full or in part at any time before it is due. This is known as prepayment and no penalty shall be charged.

4. If the Borrower continuously resides in the premises as his/her principal residence for five (5) years from the date of the closing of the Mortgage Loan, the loan will be deemed satisfied and a cancellation of mortgage/release of lien will be issued to the Borrower. If the Borrower conveys refinances or ceases to occupy the premises as their principal residence, all of the unforgiven loan funds will be due and payable from net equity proceeds.

5. Agency loan proceeds shall not in any circumstance be used to pay down, reduce or satisfy indebtedness in order to qualify, obtain or secure an NJHMFA mortgage loan product.

b. **BORROWER ELIGIBILITY:**

Borrowers must qualify and meet all the requirements for an Agency first mortgage loan originated through a Participating Lender. All occupying Borrowers must be a First-Time Homebuyer, Borrowers must meet the minimum FICO score and debt-to-income (DTI) rules as listed in this Guide. (See Chapter 5 for Agency underwriting parameters.) The Borrowers must satisfy all requirements below:

(i) **Income Limits:**
Income limits and eligibility are determined using the applicable first mortgage program guidelines located in Chapter 3 of this Guide.

(ii) **Credit Score:**
Minimum representative score of 620, as calculated by first mortgage Insurer/Investor guidelines. Any loan with a representative credit score below 660 may not exceed 45% DTI.

(iii) **Purchase Price Limits:**
The property must not exceed the maximum purchase price limit in all counties for existing one-family dwellings or for existing two to four family dwellings. These limits may be found on the program Fact Sheet.

(iv) **Asset Limits:**

1. Borrowers with liquid assets in excess of 20% of the sales price are not eligible for DPA. Liquid assets would include all cash equivalents, gift funds, and investments (including stocks, bonds, and mutual funds) held outside of a qualified retirement plan. The following are not considered liquid assets: 401ks; IRAs and similar retirement accounts/assets; and 529 tuition savings plans. Non-occupant co-borrower assets are not included in the calculation, unless also held in the occupying borrower's name. Exclude business assets marked in business accounts from calculation, unless those assets are being used towards the home purchase.

~~1.~~2. The Agency will use the highest balances on account statements. ~~regardless of paying down debt.~~ Excess withdrawals to get below the maximum is not ~~accepatable~~acceptable. Paying down debt to avoid failing the asset test is not acceptable.

~~2.~~

(v) Cryptocurrency:

Cryptocurrency must be included in the asset test unless it is part of a qualified retirement account.

(vi) Gifts of Equity:

The Smart Start DPA does not permit gifts of equity exceeding 3% of the sales price.

(vii) Property Eligibility:

The property must be a single-family home, condominium, townhome, manufactured or mobile home which is permanently affixed to real property owned by the Borrower, in accordance with investor/insurer guidelines, or a Multiple Unit Dwelling. New construction ~~–~~is allowable for DPA statewide.

(viii) Housing Counseling:

All occupying Borrowers must receive housing counseling through a HUD approved housing counseling agency or HUD approved intermediary. Once completed, a Homebuyer Education Certificate is issued to the Borrower. This certificate is required in the loan closing package. HUD counseling agencies may charge a reasonable and customary fee to provide homebuyer education. All counseling fees are the responsibility of the Borrower.

Exception: Borrowers using the HFA Advantage first-mortgage program may complete the FreddieMac CreditSmart Homebuyer U Counseling Program and provide the Homebuyer U Certificate of Completion in lieu of using a HUD-approved housing counseling agency.

The Housing Certificate must be issued less than one (1) year prior to the closing date.

(ix) Underwriting:

Loans are underwritten in accordance with all applicable requirements of the Agency first-priority purchase money Mortgage Loan for which the Borrower has applied. All loans are underwritten prior to closing by the Agency.

(x) Non-occupant Co-borrowers:

Non occupant co-borrowers are permitted, provided all first mortgage and Smart Start DPA rules are met, and the underlying investor/insurer rules are met. They do not need to meet the First Time Home Buyer definition.

(xi) Prior DPA Usage & Prior Mortgage Delinquency:

Borrowers are not eligible for NJHMFA DPA if they have ever had a foreclosure or deed in lieu of foreclosure.

DPA is limited to one per person per lifetime. NJHMFA may consider approving a second DPA, at the sole discretion of NJHMFA. A letter of explanation will be required with the reason for DPA consideration. NJHMFA will review for performance history, date of the first loan, type of program, payoff date and circumstances related to the payoff.

(xii) Down Payment Assistance (DPA) Usage:

a. Eligible use of DPA includes the following:

(i) Down payment

(ii) Customary borrower closing cost

(iii) Taxes and Insurance- Only escrowed or prepaid

(iv) Buyer's realtor fees/commission, not to exceed the lesser of 1.5% of the sales price or the amount specified on the contract/Buyer Agency Agreement. The Borrower may pay real estate commissions in excess of the amount allowed to be paid by the DPA, however, properly sourced funds would need to be used. Any use of DPA to pay buyer's realtor fees or commission must be done in accordance with any applicable GSE requirements. ~~Only escrowed or prepaid~~

b. Ineligible uses of DPA include but are not limited to:

(i) Appraisal shortfall.

(ii) Customary Seller closing cost.

(ii) Payment of debts to qualify.

(iii) Payment of Buyer or Seller transaction~~-~~-related debts or unrelated debt.

~~(ii)~~(iv) Property repairs or upgrades (*e.g.*~~i.e~~., well and septic).

~~Real Estate Commissions. NHMFA will continue to evaluate the ongoing industry changes to buyer real estate commissions.~~

c. CLOSING THE SMART START LOAN:

Smart Start Loans are closed simultaneously with the accompanying Agency first Mortgage Loan and funded when purchase is authorized on the first Mortgage Loan. If the Agency does not purchase the first Mortgage Loan, the Smart Start Loan will, likewise, not be funded. If there is a repurchase demand on the first Mortgage Loan under the Mortgage Purchase Agreement or this Guide, the Agency may also demand refund of all Smart Start monies in that transaction.

Participating Lenders are required to verify that all Borrower names appear in exactly the same manner on the Smart Start Mortgage and Note as set forth on the Mortgage, Note and related loan documents for the accompanying first Mortgage Loan. A discrepancy in Borrower's names may result in a delay in the purchase of not only the Smart Start Loan but the First Mortgage Loan.

Forms, Checklists and Instruments applicable to the Smart Start program are available in the Agency website under "Resources for Lenders" and also on the Lender Portal. Participating Lenders are encouraged to utilize these documents for Smart Start Applications made in connection with the Agency's first mortgage products.

Smart Start Notes **are not to be endorsed**. The Smart Start loan is to be closed in the name of the Agency. An erroneous endorsement to the Smart Start Note will create delays in the Agency's ability to purchase not only the Smart Start Loan, but the accompanying first Mortgage Loan. The only instance where an endorsement to the Smart Start Note would be necessary is in the event that the Smart Start Loan is erroneously closed in the name of the originating Participating Lender.

4-2: SMART START PLUS FIRST-GENERATION PROGRAM

a. PROGRAM OVERVIEW:

The Smart Start Plus First-Generation Program loan amounts are inclusive of the Smart Start DPA loan amounts, and NOT additional amounts.

The Smart Start Plus First-Generation Program provides an incentive to qualified first-generation homebuyers who are also first-time homebuyers to purchase a primary residence in the State of New Jersey.

Smart Start Plus First-Generation Program loans are only available to eligible homebuyers who obtain first mortgage financing through one of the NJHMFA Single Family mortgage programs.

Smart Start Plus First-Generation Program may not be used with the PFRS mortgage program.

Smart Start Plus First-Generation Program may not be used with Homeward Bound or HFA Advantage when the first-time homebuyer requirement is not met. ~~If the property is located in an Urban Target Area, the First Time Homebuyer for the occupying borrowers for the Smart Start and First Generation DPA's are applicable.~~ Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be first-time home buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing. All other product-specific eligibility requirements must be met, including all additional First Generation requirements for borrowers using the First Generation Smart Start DPA.

(i) AVAILABLE FUNDS:
As allocated by NJHMFA.

(ii) LOAN TERMS:

1. The Agency will make a Smart Start Plus First-Generation Program down payment and/or closing cost loan in an amount of seventeen thousand ($17,000,00) or twenty-two thousand ($22,000,00) depending on the county of the property being financed. These amounts already include the **Smart Start dollars.**

County List	**Amount of Smart Start Plus First-Generation Program loan**
Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Union	$22,000
Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Salem, Sussex, Warren	$17,000

2. The interest rate on the Smart Start Plus First-Generation Program loan is 0% for a five (5) year forgivable term.
3. The Borrower may repay the unpaid principal in full or in part at any time before it is due. This is known as prepayment and no penalty shall be charged.
4. If the Borrower continuously resides in the premises as his/her principal residence for five (5) years from the date of the closing of the Mortgage Loan, the loan will be deemed satisfied and a cancellation of mortgage/release of lien will be issued to the Borrower. If the Borrower conveys refinances or ceases to occupy the premises as their principal residence, all of the unforgiven loan funds will be due and payable from net equity proceeds.
5. Agency loan proceeds shall not in any circumstance be used to pay down, reduce or satisfy indebtedness in order to qualify, obtain or secure an NJHMFA mortgage loan product.

b. BORROWER ELIGIBILITY:
Borrowers must qualify and meet all the requirements for an Agency first mortgage loan originated through a Participating Lender. All occupying Borrowers must be a First Time

Homebuyer in addition to meeting the definition of a First-Generation Homebuyer**.** Borrowers must meet the minimum FICO score and debt-to-income (DTI) rules as listed in this Guide. (See Chapter 5 for Agency underwriting parameters.)

For purposes of the Smart Start Plus First-Generation Program, "First-generation homebuyer" means a first-time homebuyer, who is:

(i) an individual:

1. whose parents or legal guardians do not have any present ownership interest in any residential real property in any state or territory of the United States, or outside of the United States;

AND

2. whose spouse, or domestic partner has not, during the three-year period ending upon acquisition of the eligible home to be acquired using such assistance, had any present ownership interest in any residential real property used as their principal residence in any state or territory of the United States, or outside of the United States;

OR

(ii) an individual who has at any time been placed in foster care in the State, was an emancipated youth, or was designated as a homeless, unaccompanied youth pursuant to the "McKinney-Vento Homeless Assistance Act," as described in 42 U.S.C. §~~s.~~11434a.

The Borrowers must also satisfy all requirements below:

(i) Income Limits:
Income limits and eligibility are determined using the applicable first mortgage program guidelines located in Chapter 3 of this Guide.

(ii) Credit Score:
Minimum representative score of 620 for all borrowers, as calculated by first mortgage Insurer/Investor guidelines. Any loan with a representative credit score below 660 may not exceed 45% DTI.

(iii) Purchase Price Limits:
The property must not exceed the maximum purchase price limit in all counties for existing one-family dwellings or for existing two to four family dwellings, as applicable. These limits may be found on the program Fact Sheet.

(iv) Asset Limits:
Borrowers with liquid assets in excess of 20% of the Sales Price are not eligible for DPA. Liquid assets would include all cash equivalents, gift funds, and investments (including stocks, bonds, and mutual funds) held outside of a

qualified retirement plan. The following are not considered liquid assets: 401ks; IRAs and similar retirement accounts/assets; and 529 tuition savings plans. Non-occupant co-borrower assets are not included in the calculation, unless also held in the occupying borrower's name. Exclude business assets marked in business accounts from calculation, unless those assets are being used towards the home purchase.

(v) Cryptocurrency:
Cryptocurrency must be included in the asset test unless it is part of a qualified retirement account.

(vi) Gifts of Equity:
The Smart Start Plus First-Generation Program DPA does not permit gifts of equity~~ exceeding 3% of the sales price~~.

(vii) Non-arm's length transactions:
Transactions between family members are prohibited. Agency will consider exceptions on a ~~case by case~~case-by-case basis for non-family member transactions.

(ix) Property Eligibility:
The property must be a single-family home, condominium, townhome, manufactured or mobile home which is permanently affixed to real property owned by the Borrower, in accordance with investor/insurer guidelines, or a Multiple Unit Dwelling. New construction is allowable for DPA statewide.

(x) Housing Counseling:
All occupying Borrowers must receive housing counseling through a HUD approved housing counseling agency or HUD approved intermediary. Once completed, a Homebuyer Education Certificate is issued to the Borrower. This certificate is required in the loan closing package. HUD counseling agencies may charge a reasonable and customary fee to provide homebuyer education. All counseling fees are the responsibility of the Borrower. Exception: Borrowers using the HFA Advantage first-mortgage program may complete the Freddie Mac Credit Smart Homebuyer U Counseling Program and provide the Homebuyer U Certificate of Completion in lieu of using a HUD approved housing counseling agency.

The Housing Certificate must be issued less than one (1) year prior to the closing date.

(ix) Underwriting:

Loans are underwritten in accordance with all applicable requirements of the Agency first-priority purchase money Mortgage Loan for which the Borrower has applied. All loans are underwritten prior to closing by the Agency.

(x) Non-occupant Co-borrowers:
Non-~~-~~occupant co-borrowers are permitted, provided all first mortgage and the Smart Start Plus First-Generation Program rules are met, and the underlying investor/insurer rules are met. They do not need to meet the First Time Home Buyer definition.

(xi) Prior DPA Usage & Prior Mortgage Delinquency:
Borrowers are not eligible for NJHMFA DPA if they have ever had a foreclosure or deed in lieu of foreclosure.

DPA is limited to one per person per lifetime. NJHMFA may consider approving a second DPA, at the sole discretion of NJHMFA. A letter of explanation will be required with the reason for DPA consideration. NJHMFA will review for performance history, date of the first loan, type of program, payoff date and circumstances related to the payoff.

c. LENDER DUE DILIGENCE:
The Lender is required to ensure that borrowers meet the eligibility requirements for the Smart Start Plus First-Generation Program down payment assistance program. The Lender must:

(i) Review credit reports for any prior homeownership.
(ii) Review any third-party fraud prevention software tool (Fraud Guard/Mavent) for any prior homeownership.
(iii) Review the URLA for any prior homeownership.

By reserving the Smart Start Plus First-Generation Program down payment assistance, the Lender is certifying to NJHMFA that the Borrowers meets all eligibility requirements for the down payment assistance.

d. DOWN PAYMENT ASSISTANCE (DPA) USAGE:

(i) Eligible use of DPA includes the following:
1. Down payment
~~2.~~ Customary borrower closing cost
2.
3. Escrowed t~~T~~axes and prepaid ~~I~~insurance

~~Only escrowed or prepaid~~

4. Buyer's realtor fees/commission not to exceed the lesser of 1.5% of the sales price or the amount on the contract/Buyer Agency Agreement. The Borrower may pay real estate commissions in excess of the amount allowed to paid by the DPA, however, properly sourced funds would need to be used. Any use of DPA to pay buyer's realtor fees or commission must be done in accordance with any applicable GSE requirements.

(ii) Ineligible uses of DPA include but are not limited to:

1. Appraisal shortfall.
2. Customary Seller closing cost.
3. Payment of debts to qualify.
4. Payment of Buyer or Seller transaction related debts or unrelated debt.
5. Property repairs or upgrades (~~i.e~~*e.g*., well and septic).

e. **CLOSING THE SMART START PLUS FIRST-GENERATION LOAN:**

Smart Start Plus First-Generation Loans are closed simultaneously with the accompanying Agency first Mortgage Loan and funded when the purchase is authorized on the first Mortgage Loan. If the Agency does not purchase the first Mortgage Loan, the Smart Start Plus First-Generation Program Loan will, likewise, not be funded. If there is a repurchase demand on the first Mortgage Loan under the Mortgage Purchase Agreement or this Guide, the Agency may also demand a refund of all Smart Start Plus First-Generation Program monies in that transaction.

Participating Lenders are required to verify that all Borrower names appear in exactly the same manner on the Smart Start Plus First-Generation Mortgage and Note as set forth on the Mortgage, Note and related loan documents for the accompanying first Mortgage Loan. A discrepancy in Borrower's names may result in a delay in the purchase of not only the Smart Start Plus First-Generation Loan but the First Mortgage Loan.

Forms, Checklists and Instruments applicable to the Smart Start program are available in the Agency website under "Resources for Lenders" and also on the Lender Portal. Participating Lenders are encouraged to utilize these documents for Smart Start Plus First-Generation Program Applications made in connection with the Agency's first mortgage products.

Smart Start Plus First-Generation Notes are not to be endorsed. The Smart Start Plus First-Generation loan is to be closed in the name of the Agency. An erroneous endorsement to the Smart Start Plus First-Generation Note will create delays in the Agency's ability to purchase not only the Smart Start Plus First-Generation Loan, but the accompanying first Mortgage Loan. The only instance where an endorsement to the Smart Start Plus First-Generation Note would be necessary is in the event that the Smart Start Plus First-Generation Loan is erroneously closed in the name of the originating Participating Lender.

Chapter 5
AGENCY UNDERWRITING PARAMETERS

This Chapter outlines the general underwriting guidelines to be used by a Participating Lender when processing a Mortgage Loan file under Delegated Authority or Limited Delegated Authority. These guidelines are to be applied to all first-priority Mortgage Loans to be submitted to the NJHMFA for Purchase. Additional program-specific underwriting information will also be set forth in this chapter and is also available in the corresponding sections of the Guide wherein the Agency's First Mortgage Products are defined.

The Participating Lender ~~will~~ shall underwrite Mortgage Loans in accordance with NJHMFA requirements as set forth in this Guide, applicable Term Sheets, guidelines, and the GSE/Insurer's guidelines.

If loan documentation expires prior to closing NJHMFA will re-review the documentation. The repricing or extension policy may apply. Loans may be rejected if updated approval cannot be provided.

Participating Lender must notify the Agency via the Underwriting Transmittal of any loan level exception waiver or indemnification received from a GSE/Insurer.

5-1 PARTICIPATING LENDER'S GENERAL UNDERWRITING REQUIREMENTS:

a. ORIGINATION:

The Participating Lender is responsible for originating, processing, underwriting, closing, post-closing and Interim Servicing all NJHMFA Mortgage Loans in accordance with all Applicable Laws, the Mortgage Purchase Agreement, this Guide, the applicable Term Sheets and guidelines. The Participating Lender must also satisfy and comply with any requirements or guidelines established by the GSE/Insurer, CFPB, the State, and, if applicable, the Participating Lender's Federal prudential regulator.

b. UNDERWRITING STAFF:

Participating Lender must have an underwriting staff with demonstrated ability and experience in residential mortgage loan origination, processing, underwriting, closing, post-closing, and Interim Servicing at all locations where Agency Mortgage Loans are offered. Lenders that are applying to re-enter the program or have senior management with prior NJHMFA experience must have a proven track record with NJHMFA in all aspects of residential mortgage loan origination. Participating Lenders must provide the Agency with resumes for senior management and any staff for whom Delegated Underwriting status is sought.

c. UNDERWRITING SYSTEMS AND FINDINGS:

(i) Automated Underwriting Systems (AUS):

The Agency allows the use of, but does not require, unless otherwise noted by a specific mortgage program in this chapter, the following automated underwriting systems: Fannie Mae's Desktop Underwriter (DU); Freddie Mac's Loan Product Advisor (LPA); Loan Score Card FHA findings and USDA's Guaranteed Underwriting System (GUS).

(ii) Findings Reports:
The Participating Lender is responsible for entering complete and accurate information into the AUS and for submitting the correct findings report to the Agency in the compliance package. If the findings report generates a result of "Approval/Eligible" or "Accept/Eligible" (or the equivalent from one of the other systems) AND the Debt-to-Income ratios do not exceed the parameters set forth in Chapter 5, Section 5-2 (A through D) on page 5-4. NJHMFA will accept the findings as they relate to the credit underwriting review of the file and the Participating Lender need not perform a manual review of the credit (although the Participating Lender is responsible for ensuring that data is verified, accurate, and meets the requirements that apply as a result of the loan type and program; i.e., FHA, VA, USDA, Fannie Mae or Freddie Mac).

Full loan documentation is required. Any reduced documentation within the Findings Report will not be permitted.

d. UNDERWRITING FINDINGS DOCUMENTATION REQUIREMENTS:
The Participating Lender is responsible for ensuring that the Mortgage Loan file and all applicable sub-files, including but not limited to, the Compliance Package and the Purchase Package contain the documentation (where applicable and required) needed to satisfy the findings report.

However, please note that the following documentation is still required regardless of the finding:

(i) Complete income verification and documentation
(ii) A standard, full interior and exterior appraisal (1004);
(iii) Compliance with any applicable program-specific guidelines and documentation as outlines in this Guide;
(iv) Compliance with any applicable Federal guidelines depending on the loan type (FHA, VA, USDA, Fannie Mae or Freddie Mac);

If the findings report generates a finding of "Refer" or "Caution" (or similar risk classification), the Participating Lender must perform a manual underwriting review of the file if allowable per GSE/Insurer guidelines and any Agency guidelines/overlays~~, and the loan must meet the applicable underwriting guidelines per the loan type (i.e., FHA, VA, USDA, Fannie Mae or Freddie Mac)~~. If a manual review is required or is chosen by the Participating Lender, the loan must meet the applicable program guidelines depending on the program and insurance/guaranty. ***Note: manual reviews are not permitted under the HFA Advantage and PFRS Mortgage Loan Programs.***

e. **AGE OF DOCUMENTS:**
To determine the maximum age of documents used to make the credit decision, refer to GSE/Insurer guidelines.

f. **DISCLOSURES**:
Refer to GSE/Insurer guidelines for standard disclosure requirements. A DPA Disclosure must be provided and signed at the time of application. If not provided, the DPA will not be approved. A Final TIL must be provided and signed at closing.

g. **FEDERAL TAX RETURNS:**

(i) **First Time Homebuyer validation:**
Submit complete federal tax returns signed and dated with all pages and schedules for the most recent three (3) years. HFA Advantage and Homeward Bound do not require three (3) years returns if no DPA is being used.

(ii) **Income qualifying validation:**
For self-employed borrowers submit complete federal tax returns signed and dated with all pages and schedules for the most recent two (2) years tax returns regardless of AUS findings.

Borrowers who do not have the required federal tax returns to provide because they are not U.S. citizens, have lived abroad, and have not filed must provide evidence that they have not filed using an IRS Verification of Non-filing Letter (VNF). A VNF will provide proof from the IRS that there is no record of a filed tax form (1040, 1040A, or 1040EZ) for the year requested.

h. **Disaster Awareness:**
It is the Lender's sole responsibility to be aware of and act upon any mortgage loans impacted by disasters prior to the sale to NJHMFA. Prior to the sale of the loan to NJHMFA, the Lender warrants that the subject property is in marketable condition and that there are no repairs or other damaging conditions to the subject property at the time of sale. Refer to GSE/Insurer Guides for specific requirements.

i. **GOVERNMENT PROGRAM GUIDELINES AND APPROVALS:**

(i) **USDA Guaranteed Mortgage Loans:**
USDA guaranteed Mortgage Loans are eligible for sale to NJHMFA under the NJHMFA First-Time Home Buyer Program and NJHMFA Homeward Bound

Program. USDA guaranteed Mortgage Loans must ~~-~~also comply with all applicable USDA underwriting guidelines, as well as all applicable NJHMFA specific guidelines contained in this Participating Lender's Guide.

For USDA guaranteed loans, the Participating Lender must be approved by the United States Department of Agriculture (USDA) for underwriting. These Mortgage Loans must also comply with all applicable USDA underwriting guidelines (see www.va.gov), as well as all applicable NJHMFA-specific guidelines contained in this Participating Lender's Guide.

(ii) **VA Guaranteed Mortgage Loans**:
For VA Guaranteed Mortgage Loans, the Participating Lender must have Automatic Authority (also known as Authority to Closing Loan on an Automatic Basis) from the VA; this can be a Supervised Lender or a Non-Supervised ~~-~~Lender with Automatic Authority. If the Participating Lender is underwriting the appraisal in-house, they must also have Lender Appraisal processing Program (LAPP) approval. The Notice of Value (NOV) shall be provided to NJHMFA on all VA loans. These loans must meet all applicable VA requirements.

5-2: CREDIT UNDERWRITING GUIDELINES:

Evaluation by Participating Lender of each Mortgagor's creditworthiness must be done on a case-by-case basis. All standards for determining effective income must be applied to each Mortgagor in the same manner. The following are guidelines to indicate proper considerations in ascertaining that the Mortgagor's creditworthiness is sufficient. These guidelines are not intended as requirements or rules that must apply in all cases; however, the Agency considers them to be sound general principles in underwriting credit.

a. **Monthly Housing Expense-to-Income Ratio**:
The Agency will normally require that monthly housing expense (first mortgage payments plus escrows) not exceed 36% for a conventional loan (with the exception of the HFA Advantage Loan Program), 32% for a USDA guaranteed loan or 40% for FHA insured loans. VA and HFA Advantage loans do not have a specified maximum monthly housing expense ratio.

If Mortgagor is purchasing a condominium or planned unit development ("PUD") unit, the monthly condominium or PUD fee (homeowners' association dues) for common elements/property charges and maintenance, excluding unit utility charges, must be included in the monthly housing expense when calculating the above ratio.

b. **Monthly Debt -to-Income Ratio (DTI):**
The Agency will ~~normally~~ typically require that the total amount of monthly housing expense (as defined in (a) above), in addition to ~~plus~~ all other monthly payments on all

other debts, as applicable in accordance with underlying GSE/Insurer Guidelines, do not exceed limits set forth below.

(i) First-Time Homebuyer:

FHA – 40/47%

VA – 47%

USDA – 32/44%, Guaranteed Underwriting System (GUS) approval required.

(ii) Homeward Bound:

FHA – 40/50%

VA- 50%

USDA – 32/44%, Guaranteed Underwriting System (GUS) approval required.

(iii) HFA Advantage:

No Front/50%

(iv) Police & Fireman (PFRS):

36/45%.

With the exception of PFRS- In addition to any of the limits above, any loan with a representative credit score below 660 may not exceed 45% DTI.

Loans must meet the above DTI requirement as well as the underlying GSE/Insurer DTI limits.

Alimony and child support are considered long term monthly obligations, unless such obligations terminate in less than ten (10) months. Agency loan proceeds shall not in any circumstance be used to pay down, reduce or satisfy indebtedness in order to qualify, obtain or secure an NJHMFA mortgage loan product.

c. Monthly Housing Expense-to-Income and Debt-to-Income Ratio for VA Loans:
The maximum Debt-to-Income Ratio is 50% provided there is sufficient residual income to satisfy the VA regulations. VA does not require a monthly housing expense-to-income ratio. Agency loan proceeds shall not in any circumstance be used to pay down, reduce or satisfy indebtedness in order to qualify, obtain or secure an NJHMFA mortgage loan product.

d. Compensating Factors:
There are many underwriting considerations that justify the use of higher debt-to-income ratios. When such factors exist, the Agency may allow for the use of higher underwriting ratios for mortgage products. Under the First-Time Homebuyer Program, ratio exception requests are not permitted. Exception requests should be submitted to the NJHMFA Underwriting Department prior to the loan closing when exceeding the ratios in the above Sections A., B., and C. is proposed. Lender must provide a copy of the

URLA, Credit Report, AUS Findings and 1008 at the time of exception request. In addition, a letter of explanation from the Underwriter describing the need for the exception and the compensating factors must be provided. Anything over 3% would not be considered; below 3% would be evaluated for an exception.

(i) A higher monthly housing expense-to-income ratio or a higher total obligations-to-income ratio (or both) may be acceptable for Mortgage Loans that have loan-to-value ratios of 90% or less, if the Borrowers:

1. Make a large down payment toward the purchase of the Property;

2. demonstrate an ability to devote a greater portion of income to basic needs like housing expenses;

3. demonstrate an ability to accumulate savings and to maintain a good credit history or a debt-free position;

4. have potential for increased earnings and advancement because of their education or job training, even though they have just entered the job market; and/or

5. retain net worth substantial enough to evidence their ability to repay the Mortgage Loan.

(ii) In order for the use of higher qualifying ratios to be approved for Mortgage Loans that have loan-to-value ratios above 90%, not only must the Borrowers fall into at least one of the above categories, but also one of the following conditions must exist.

1. Hold financial reserves that can be used to carry the mortgage debt. Part of the savings must be in the form of liquid assets that equal at least two months of PITI payments; or

2. demonstrate an ability to devote a greater portion of their income to housing expenses (but the housing expense for the subject Mortgage Loan should not exceed the Borrowers' previous housing expenses), excellent payment histories on any prior mortgage obligations, and acceptable credit histories;

Participating Lenders must support and document all decisions regarding the underwriting ratios - whether they rely on the above compensating factors or others.

e. **Income Assessment, Stable Monthly Income and Other Income Considerations:**

The annual income of those occupant Borrowers who will be on the mortgage, note, and/or deed must be calculated to determine if their total income falls within the limits for the program selected and the targeted market area of the subject property. These limits are adjusted annually. The income for compliance may be different than the income for credit underwriting or qualifying.

The First Time Home Buyer Program requires all sources of income when calculating the compliance income on the first mortgage. The Homeward Bound and HFA Advantage Program requires the qualifying income calculation as compliance income.

(i) **Compliance income:**
The annualized gross monthly income for all borrowers and non-borrowing spouses or legal domestic partners verifying all income from all sources.

(ii) **Qualifying income:**
All borrower income used in the housing expense to income ratio and debt to income ratio for purposes of the first mortgage.

(iii) **Stable Monthly Income:**
Refer to the applicable GSE/Insurer guidelines.

(iv) **Rental Income:**
When using rental income to qualify, refer to applicable GSE/Insurer guidelines. Future rental income on the subject property is not considered part of gross annualized household income for purposes of determining income eligibility under the Code. Affordable housing units sold pursuant to the State's Uniform Housing Affordability Controls or other programs may have different rules for application of rent.

(v) **Alimony, Child Support and Maintenance Payments:**
For purposes of qualifying income refer to applicable GSE/Insurer guidelines. For purposes of maximum income eligibility, refer to Chapter 3 of this Guide.

(vi) **New Employer:**
Obtain Written Verification of Employment. Return to work is required prior to Agency loan approval. One paycheck cycle must be provided for loan approval.

f. **Solar Panel Liens:**
Refer to GSE/Insurer guidelines.

g. **Student Loans:**
Refer to GSE/Insurer guidelines.

h. Verbal Verification of Employment (VVOE) For Deferred Employment:
If a borrower has deferred employment, Lenders must obtain a verbal verification of employment (VVOE) for each borrower using employment or self-employment income to qualify. Follow standard GSE/Insurer guidelines for all other types of employment.

i. Tax Abatement:
Refer to GSE/Insurer guidelines.

j. Seller Credit or Concession:
Refer to GSE/Insurer guidelines. For gifts of equity check GSE/Insurer guidelines.

k. Credit Overlays:

(i) Agency loan proceeds shall not in any circumstance be used to pay down, reduce or satisfy indebtedness in order to qualify, obtain or secure an NJHMFA mortgage loan product.

(ii) Slow Payments Shown on Credit Report **for manually underwritten loans only**. If Mortgagor has a recent history of slow payments on a previous mortgage(s), the Agency ~~will~~ shall require a detailed, written explanation. Slow payment of other debts constituting a pattern of late payments, or a payment pattern which appears to indicate slow payments of debts related to basic needs while prompt payments were made on debts related to less important needs of the Mortgagor and Mortgagor's family, must also be satisfactorily explained.

(iii) Bankruptcy The discharge of bankruptcy must have occurred prior to two (2) years before applying for HMFA financing. The Mortgagor must have established a satisfactory credit record in this time period. This applies to Chapter 7 and 13 discharges.

(iv) Collection Accounts A Collection Account refers to a Borrower's loan or debt that has been submitted to a collection agency by a creditor. Any collection accounts or liens for debts to the State of New Jersey must be paid in full prior to closing.

1. ~~1.~~ For collection accounts paid off in full prior to or at loan closing:
If paid prior to application, Participating Lender to provide credit supplement evidencing pay-off;

If paid between application and loan closing, Participating Lender to verify acceptable sources of funds used for payment, and provide credit supplement evidencing payoff;

If the debt is being paid at loan closing, Participating Lender must verify Borrower has sufficient assets to satisfy the outstanding amount using an acceptable source of funds, at the time of loan approval. The full collection amount being paid off must be included on the Closing Disclosure. ~~Verify that the Borrower has made payment arrangements with the creditor with proof of three (3) current and consecutive months of timely payments. Include the monthly payment in the Borrower's DTI even if fewer than 10 months are remaining; or~~

2. ~~2.~~ For collection accounts not being paid in full prior to or at closing: Verify that the Borrower has made payment arrangements with the creditor with proof of three (3) current and consecutive months of timely payments. Include the monthly payment in the borrower's DTI even if fewer than 10 months are remaining; OR

if a payment arrangement is not available, calculate the monthly payment using five (5) percent of the outstanding balance of each collection and include the monthly payment in the Borrower's DTI.

(v) Charge Off Accounts A charge off account does not need to be satisfied, provided the Lender can evidence that the debt has been charged off by the creditor via supplemental credit report and letter of explanation from the borrower. If unable to evidence that the account has been fully charged off. follow the procedure for collection accounts.

If AUS findings require collection or charge-off accounts to be paid, the more restrictive requirement will prevail.

(vi) Judgments against Borrowers or affecting the Property. Judgments must be paid in full at or prior to the Mortgage Loan closing. Judgments, delinquent accounts or other indebtedness cannot be paid with Agency loan funds.

(vii) Foreclosure. Applicants who have been a defendant mortgagor in a mortgage foreclosure proceeding are subject to the current Government parameters. Conventional mortgage loans are subject to FNMA or FHLMC Guidelines. Participating Lenders are to refer to Fannie Mae Selling Guide or Freddie Mac Single-Family Seller/Servicer Guide for applicable underwriting criteria. GSE mortgage loans are subject to the respective Insurer guidelines; FHA Single Family Housing Policy Handbook, VA Lender's Handbook or USDA Handbook.

For any First Time Home Buyer or Homeward Bound loan that is manually underwritten a Borrower may be considered if the proceedings were completed at least five (5) years before the date of application and borrower has established satisfactory payment history on all accounts established after the conclusion of the foreclosure proceedings.

(viii) Foreclosure of a timeshare property. The deeded interest in a timeshare property can be foreclosed. The Agency considers this real property and therefore~~,~~ would treat it as a foreclosure.

(ix) Job Tenure; Change of Residence. Refer to applicable GSE/Insurer guidelines.

(x) Cryptocurrency. Documentation requirements must follow GSE/Insurer guidelines. Cryptocurrency is not an eligible asset unless liquidated for U.S. dollars and then may be eligible for down payment, reserves, or closing costs. Cryptocurrency must be included in the asset test unless it is part of a qualified retirement account.

(xi) Cesspool. The property cannot be sold with a cesspool. It must be upgraded to a septic system.

(xii) Written Verification of Employment (VOE). All loans require Written Verification of Employment.

(xiii) Return to work after temporary absence. Borrower must return to work prior to agency loan approval. Participating Lender must provide one (1) paystub for one full pay cycle prior to NJHMFA loan approval.

(xiv) Tradelines. A minimum of two (2) tradelines with twelve (12) months of established history is required. The twelve (12) months of established history must already be reported on the credit report prior to submitting the loan to the Agency for approval. The accounts included cannot have been closed more than twelve (12) months prior to loan application. Exceptions to permit use of closed tradeline or installment debt paid in full over twelve (12) months old may be permitted by NJHMFA, depending on length of account timeline and overall usage. ~~The accounts included cannot have been closed more than six (6) months prior to loan application. R~~Rental housing payments are acceptable as a 2nd tradeline if there is one (1) established tradeline on the credit report. Lenders must comply with GSE/Insurer guidelines if more stringent. A verification of rental form can only be used when the landlord is a management company. If form is not available or landlord is someone other than a management company, a copy of a lease and twelve (12) months of cancelled checks or bank statements must be provided.

The following are not included in the two (2) minimum tradelines:

1. Deferred student loans with fewer than twelve (12) payments made;
2. Authorized user accounts;
3. Self-reported credit such as phone, cable, utilities, and insurance;
~~1.~~4. Collections or charge off accounts.

(xv) Federal Taxes. If Federal Taxes have been filed and not due (April 15th or prior), provide proof of payment in full or an IRS installment agreement or additional reserves to cover amount owed (above and beyond one (1) month requirement). After April 15th, evidence may be required that taxes are paid in full or an~~m~~ IRA installment agreement is in place.

(xvi) New Employment. New employment must start prior to loan approval. Evidence of one (1) paycheck cycle is required for approval.

5-3: CREDIT REPORT

Each Mortgage Loan must have a written report meeting the following requirements:

a. Credit Score Requirements:

Borrower must have a minimum representative credit score of 620 or higher as reported by TransUnion, Experian and Equifax. If there are less than three reported credit scores, the lowest score will be used. Any loan with a representative credit score below 660 may not exceed 45% DTI.

There is no minimum credit score requirement for Mortgage Loans issued under the NJHMFA 100% Financing Program. For PFRS loans, it is acceptable to use the Fannie Mae methodology of determining credit score.

b. Applicability:

The Participating Lender is required to obtain a tri-merge credit report for each Borrower on the loan application who has an individual credit record. The credit report must be based on data provided by the following national credit repositories: ~~-~~Equifax, Experian, or TransUnion. The credit report may be prepared by an independent consumer credit reporting agency or one of the national credit repositories.

c. Required Records:

A tri-merge credit report must include both credit and public record information for each locality in which the Borrower has resided during the most recent two-year period. The credit report must include all discovered credit and legal information that is not considered obsolete under the Fair Credit Reporting Act.

Each credit report must include available public record information, identify the sources of the public records information, and disclose whether any judgments, foreclosures, tax liens, or bankruptcies were discovered (with these adverse items reported in accordance with the Fair Credit Reporting Act).

Public records information must be obtained from two sources, which may include any combination of the following: national repositories of accumulated credit records, direct searches of court records by employees of the Participating Lender or the consumer reporting agency, or record searches made by other public records search firms.

d. **Historical Requirements:**
Although the Fair Credit Reporting Act currently specifies that credit information is not considered obsolete until after seven years and bankruptcy information, after 10 years, ~~we~~ NJHMFA requires only a seven-year history to be reviewed for all credit and public record information.

e. **Order and Delivery of the Report:**
The credit report must include the name of the party who ordered the credit report. If another party paid for the report, that party's name also must be shown, unless the Participating Lender ordered the report and the billed party has a documented agent or~~f~~ corporate relationship with the Participating Lender. The original credit report must be delivered to the office of the party who requested it, using any means that are acceptable under the Fair Credit Reporting Act or similar regulations, ~~-~~such as sending it through the U.S. Postal Service. The report may be delivered by messenger, over a fax machine, or through other automated means.

f. **Incomplete Information, Omissions or Discrepancies:**
When the Participating Lender has incomplete information, discovers that the Borrower might not have disclosed all information that should be found in public records, or obtains other information that indicates the possible existence of undisclosed credit records, the Participating Lender must interview the applicant(s) to obtain additional information that is needed to provide an accurate report or perform additional research to verify whether the purported undisclosed records actually exist.

g. **Report Aging:**
The credit report must not be more than 120 days old on the date the Mortgage Note is signed. When the age of the report is greater than 120 days, the Participating Lender will be required to update the credit report.

5-4: CITIZENSHIP, PERMANENT AND NON-PERMANENT RESIDENTS:

First-Time Homebuyer, Homeward Bound Programs and HFA Advantage Programs: Participating lenders shall refer to GSE/Insurer guidelines regarding citizenship when reviewing applications for approval.

PFRS Program: Participating lenders shall refer to Fannie Mae guidelines regarding citizenship.

5-5: PROGRAM SPECIFIC UNDERWRITING REQUIREMENTS:

Use the applicable form HMFA 99 document checklist for submission of the Underwriting File to the Agency or its authorized designee. Underwriting Files are to be submitted in accordance with the applicable checklist. Please see Appendix I or the Agency's website for program specific documents and checklists.

Qualified Veterans and buyers of homes located within Urban Target Areas do not need to be first-time home buyers in order to meet eligibility requirements for the first mortgage or DPA product, but must not own another primary residence at closing. All other product-specific eligibility requirements must be met, including all additional First Generation requirements for borrowers using the First Generation Smart Start DPA

a. NJHMFA First-Time Homebuyer Mortgage Loan Program:

Agency Staff performs income underwriting and any tax compliance ~~underwriting~~ review on these Mortgage Loans. However, the Participating Lender is responsible for gathering all income ~~and credit~~ documentation and verifications for ~~all adults~~co-mortgagors, non-borrowing spouse and legal Domestic Partners who will be living in the Borrower's primary residence and forwarding that documentation to the Agency. Tax returns may be used for income documentation for non-borrowing spouse. Such documentation must be sent per the applicable document checklist. In addition, the Participating Lender is responsible for performing or obtaining all other underwriting and pre-closing requirements of this Guide.

Note: The First Time Home Buyer Program requires all sources of income to be included within the compliance income calculation.

b. NJHMFA Homeward Bound Program:

NJHMFA Homeward Bound Program Mortgage Loans are underwritten, closed and funded according to NJHMFA's standard procedures as outlined in this Guide and the Mortgage Purchase Agreement. Any exceptions to standard procedures for this program are noted in this section. Mortgage Loans must also comply with the guidelines of the respective Federal government agency insuring or guaranteeing the Mortgage Loan (FHA, USDA or VA).

Note: The Homeward Bound Program allows the qualifying income to be used to determine if the loan meets the income limits.

c. NJHMFA HFA ADVANTAGE LOAN PROGRAM

Participating Lenders are responsible for originating, underwriting and closing HFA Advantage loans according to applicable Agency and Freddie Mac requirements.

(i) Lenders may only use Loan Product Advisor (LPA) when underwriting loans and are responsible for clearing all LPA conditions prior to providing loan to Agency for review.

Note: Manual underwrites are currently not allowed in the Agency HFA Advantage Program.

(ii) Income Limits are set on an annual basis and will be posted on the Agency website.

Note: The HFA Advantage Program allows the qualifying income to be used to determine if the loan meets the income limits.

d. Police and Firemen's Retirement System Mortgage Loan Program (PFRS):

(i) The Participating Lender is responsible for the processing and underwriting of these Mortgage Loans. Approvals must follow Fannie Mae DU guidelines. The Mortgage Loan must have an Approve/Eligible recommendation. Participating Lenders are responsible to clear the DU conditions prior to loan submission to the NJHMFA. All other DU recommendations are not eligible. The NJHMFA will not provide prior approvals. The Participating Lender must:

1. Verify the eligibility of each Borrower through an addendum to the Verification of Employment. Verification from the employer is good for four (4) months. If the Mortgage Loan does not close within four (4) months of the date of the employer verification, the Participating Lender must secure a new employer certification. There is no flexibility on this certification.

2. The Participating Lender must attach the form for verification of membership in Police and Firemen's Retirement System to the VOE and ensure that it is completed in its entirety, and updated as required, by the Borrower's employer.

3. The Participating Lender must provide evidence that the Borrower has had one (1) year of creditable service and be actively contributing to the pension plan. ~~and be actively contributing to the pension plan by the date of loan closing (Note date).~~

Note: Participating Lending to provide evidence available using most recent copy from the Member Benefits Online System (MBOS) statement or a current letter from the Pension Board. MBOS statement provided must

indicate twelve (12) months of creditable service by the date of the document.

4. Make all disclosures as and when required under applicable law.

5. Ensure that all Mortgage Loans with LTV ratios in excess of 80% have the appropriate private mortgage insurance. Coverage is required to meet the levels provided in the AUS findings.

   - Loans with LTV of 80% or less are not required to carry mortgage insurance.
   - Private Mortgage Insurance companies must be Fannie Mae approved.

6. Condominium requirements: Must meet Fannie Mae Condominium eligibility standards. Refer to Chapter 3 for additional information.

7. Obtain an appraisal, containing a written certification signed by two persons from the same appraisal company, which shall set forth the opinion of the signatories as to the value of the land and the improvements thereon. Failure of an appraisal to meet this requirement will make the Mortgage Loan ineligible for purchase.

(ii) **Secondary Financing:**

1. Secondary Financing **is allowed** on purchase money Mortgage Loans as per Fannie Mae Guidelines. NJHMFA (including Smart Start and HomeSeeker) cannot be used with the PFRS Loan Program.

e. **NJHMFA Stay at Home Program– FHA Insured Streamline Refinance Mortgage Loans: This program is currently suspended.**

f. NJHMFA **Stay at Home Program - VA Interest Rate Reduction Refinancing Loan (IRRRL) Guidelines:**
This program is currently suspended.

Chapter 6

LOAN RESERVATION POLICY AND LOAN RESERVATION PIPELINE MANAGEMENT

6-1 LOAN RESERVATION POLICY

a. Requirements

(i) In all instances, the Participating Lender is required to utilize this loan reservation policy in an ethical and honest manner and under no circumstances can a Participating Lender utilize these procedures in any way to achieve undeserved gain for itself, its staff or customers, or cause NJHMFA to suffer unnecessary losses.

(ii) A price guaranty is made on the basis of a Mortgage Loan application and a specific Property. In the event that a Mortgage Loan application falls through, that application is null and void except for purposes of carrying Agency fees, rates, and expiration terms forward to the new loan, where applicable. Re-reserved loans for the same borrower and property that have been cancelled or expired for less than sixty (60) days are subject to worse-case pricing. The terms from the previous reservation will apply for the new loan, subject to any applicable extensions and product change rules. If a change of applicants or real property occurs, the subsequent application will be treated as a new Mortgage Loan application to receive a commitment for specific terms as applicable for the loan type. In addition, a new Mortgage Loan number would be assigned to the new Mortgage Loan in the Lender Portal~~ILRS~~.

(iii) The Participating Lender shall reserve Mortgage Loan(s) it intends to sell to NJHMFA after the Participating Lender has satisfactorily received a complete Mortgage Loan application.

(iv) Having executed a best-efforts loan reservation to lock in the interest rate for the subject Mortgage Loan, the Participating Lender commits to deliver the Mortgage Loan regardless of the market conditions.

(v) All of the NJHMFA's published rates and prices are subject to change without advance notice. Once a Participating Lender is notified that the rate sheet prices are being changed, no Mortgage Loans can be reserved at the previous rate and price.

(vi) The Mortgage Loan must be delivered to NJHMFA by the reservation expiration date. If a PFRS loan reaches sixty (60) days expired and the closed loan package has not been received by NJHMFA; the loan will be cancelled and subject to repricing per the Pricing Policy in this chapter.

(vii) If a reservation expires on a Saturday, Sunday or legal holiday, the reservation expiration date will roll forward to the next business day.

(viii) Escrow waivers are not allowed on Agency loans regardless of loan to value, so Agency rates reflect a loan that is subject to such escrows as part of servicing.

The Participating Lender is only allowed to charge the Borrower an origination fee, as permitted in this Guide and per Applicable Law. The compensation to the Participating Lender will include allowable fees and the premium price paid to the Participating Lender by NJHMFA.

b. Mortgage Loan Reservation Process

(i) **Reservation of Funds:**
To qualify for a reservation of funds, the Applicant must meet the following requirements:

1. On a purchase transaction, the Applicant must provide a bona fide contract of sale executed by both the buyer and the seller of the property. In the case of FHA 203(b) insured loans, the contract must include a mortgage contingency clause and an FHA amendatory clause within the body of the contract or as an addendum.

2. The Borrower/Applicant must submit information to the Participating Lender demonstrating the ability to satisfy the income and other qualifications of the program under which they are applying, subject to the Participating Lender's full underwriting of the Mortgage Loan.

~~(i)~~(ii) **Processing the Reservation:**
After the Participating Lender has prescreened an Applicant for program eligibility and has taken a Mortgage Loan application, an authorized staff member of Participating Lender shall register the Mortgage Loan via the Lender Portal ~~/ILRS~~ between the hours of 10:00 A.M. and 8:00 P.M. Prevailing Time Monday through Friday (except State and Federal holidays and days NJHMFA is closed for business).

~~(ii)~~(iii) In order to reserve funds, Participating Lender will need to access the Lender Portal~~ILRS~~ with critical information, including but not limited to:

- Name of each applicant
- Property address
- Zip code
- County
- Social Security number(s)

- Sales price
- Mortgage amount
- Target or non-target area
- New or existing property
- Number of units
- Family size
- Monthly income
- Type of loan program (e.g., FHA, VA, USDA, Homeward Bound, Stay at Home, PFRS)

(iv) A 6-digit loan number will be issued by the ~~ILRS~~ Lender Portal at the time of registration and must appear on the Transmittal Summary form 1008 and all subsequent correspondence regarding the Mortgage Loan. At this time a Reservation Confirmation will be generated by the ~~ILRS~~Lender Portal. A Reservation Confirmation will be generated for each Mortgage Loan registered in the ~~ILRS.~~Lender Portal.

~~(iii)~~(v) When a down payment assistance loan is registered along with a first mortgage product, two Reservation Confirmations will be provided.

~~(iv)~~(vi) Upon the completion of the Reservation process, the Participating Lender will be given the opportunity to print copies of certain program-specific documents related to the Mortgage Loan program(s) under which the reservation has been made.

~~(v)~~(vii) Participating Lender must cancel the loan in the Lender Portal ~~/ILRS~~ or send the Agency a written request to amend or cancel a Mortgage Loan Reservation within one (1) business day of the Participating Lender's learning of the required amendment or that the Mortgage Loan(s) will not proceed under any Agency program.

~~(vi)~~(viii) **Mortgage Loan Reservations – Timely Registration**:
In order for the Agency to monitor the timely distribution of funds, all loans in process must be registered via the ~~ILRS~~Lender Portal. The Mortgage Loan interest rate will be assigned at the rate in effect at the time of loan registration, regardless of when the application was taken. New disclosures would be required at the time of registration revealing that the rate has been locked if the loan application has a date prior to the registration date and was in a float status.

c. Mortgage Loan Reservation - Confirmations
The loan reservation will be valid for the term of the reserved period, counted in consecutive calendar days, including weekends and holidays. The commitment is

effective on the date the Mortgage Loan is reserved until 11:59 p.m. Prevailing Time on the expiration date. Any changes to the loan parameters, including loan amount, must be requested by the Participating Lender in writing and updated by NJHMFA staff. Changes to Mortgage Loan parameters may affect the Mortgage Loan Confirmation and interest rate.

d. Price Guaranty Options

(i) New rates will be posted on the NJHMFA ~~ILRS~~ Lender Portal or Agency website at approximately 10:00 a.m. Prevailing Time, Monday through Friday (except State and Federal holidays). However, rates are subject to change without advance notice at any time, so Participating Lenders should consult the Agency ~~ILRS~~ Lender Portal immediately prior to locking a rate on an application. The Agency will issue an email blast to Participating Lenders should the ~~ILRS~~ Lender Portal system be unavailable.

(ii) Lock reservation can only be accepted through NJHMFA's ~~ILRS~~Lender Portal.

(iii) Locks will be accepted between the hours of 10:00 a.m. and 8:00 p.m. Prevailing Time Monday through Friday (except State and Federal holidays and days NJHMFA is closed for business).

(iv) NJHMFA will notify Participating Lenders of rate and price changes in advance when possible; however, there are circumstances in the market when the Agency's Division of Capital Markets must close the ability to make lock reservations immediately.

(v) NJHMFA will provide a reservation confirmation through the Lender Portal~~ILRS~~. This printed confirmation is required to be provided in the loan(s) submitted to the Agency for purchase by the Participating Lender.

e. Loan Reservation Options

(i) Reservation terms may vary by product; however, generally NJHMFA may offer reservation terms of 30-180 days, with Lender compensation varying according to the term of the Loan Reservation. One notable exception is for PFRS Mortgage Loans, which have a Loan Reservation term of 180 days, or up to 270 days for completion of new construction. For more details on PFRS Mortgage Loans as to Loan Reservation term and extension thereof, please see Chapter 3, Section 3-5; all other aspects of loan reservation for that program are addressed in this Chapter 6.

(ii) A Loan Reservation will establish the purchase price and the terms of the Mortgage Loan and lock in the interest rate for the Mortgage Loan, subject to the terms and conditions of the Mortgage Purchase Agreement and this Participating Lender's Guide.

(iii) Best efforts delivery is expected on all reserved Mortgage Loans. The Participating Lender must make every effort to close the Mortgage Loan according to the terms of the Loan Reservation.

(iv) If the Borrower changes the type of Mortgage Loan requested so that the terms of the Mortgage Loan no longer agree with the terms of the initial Loan Reservation, the Participating Lender must notify NJHMFA within one (1) business day, and the Mortgage Loan will be subject to re-pricing if still qualifying for an Agency Mortgage Loan.

(v) Loan delivery to NJHMFA is mandatory on closed Mortgage Loans that are reserved with NJHMFA or the Participating Lender's continued participation in Agency programs may be affected.

(vi) All loans must be closed, delivered and in purchasable condition by the reservation expiration date or else be subject to extensions, including applicable costs.

f. Policy for Extending Mortgage Loan Reservation Options and/or Repricing of Loans

The Participating Lender is responsible for monitoring its pipeline of reserved Mortgage Loans. Changes to confirmed Loan Reservations may be requested via electronic mail. Extension and/or expiration of a confirmed Loan Reservation may result in a different price or a fee charged at the time of Mortgage Loan purchase. Fees may be cumulative and upon re-pricing, interest rates may be affected.

(i) Loan Reservation Extension Policy

1. Prior to a Loan Reservation expiring, the Participating Lender may extend the Loan Reservation through the Lender Portal ~~ILRS~~ by selecting "Extend Commitment" and selecting the applicable extension time frame from among the options offered therein. Any extension fees incurred shall be paid by the Participating Lender and shall not be passed on to the borrower.

2. All programs with the exception of PFRS: When a loan's initial expiration date has expired and the loan is still in process, a 30-day extension will be placed automatically at a price of .375%. If the loan expires after the 30-day extension and is still in process (and has not closed or purchased), the loan will be cancelled. It is the Participating Lender's responsibility to monitor their pipeline and expirations dates.

3. Fees will be netted out of the funding at time of purchase, with the exception of PFRS Mortgage Loans, where the extension fee is required at the time the extension is requested. The following are the extension fees:

Calendar Days	Fee*
1 to 7 days	.125%
8 to 15 days	.25%
16 to 30 days	.375%

**Reservation extensions are subject to availability, and the fees for these extensions may change without notice. The applicable fee will be charged at the rate reflected in the Lender Portal~~ILRS~~ and as published in the daily email rate notification issued by the Agency to all Participating Lenders at the time the extension is requested.*

4. If the loan is delivered and has deficiencies that the Participating Lender has not cured within 30 days of the delivery expiration date, a fee of .375% will be charged. If the cure period goes beyond the 30 days, the fee will be considered on a case-by-case basis.

See also Chapter 9 Closing the Loan, and Chapter 10 Selling the Loan to NJHMFA For Purchase, for additional details on these processes for Mortgage Loans that have closed and are pending expiration.

(ii) Mortgage Loans Subject to Re-Pricing

If the Loan has been expired or cancelled for more than 60 days, then the Mortgage Loan is subject to re-pricing at current market pricing. In such case, if the Mortgage Loan has already closed, the Agency will honor the interest rate of the original Loan Reservation as reflected in the executed Mortgage Loan documents, but the loan may be subject to a price reduction. However, if the Mortgage Loan has not yet closed, the Borrower's interest rate will be as then offered by the Agency and the Participating Lender may have to issue new disclosures and re-underwrite the Mortgage Loan to ensure compliance with Applicable Laws and the programmatic requirements.

6-2: LOAN RESERVATION PIPELINE MANAGEMENT

It is the Participating Lender's responsibility to manage their Mortgage Loan reservation submissions in order to maintain the Agency's pipeline integrity. Any changes to the Mortgage Loans reserved with the Agency must be requested in writing to Agency Staff. This includes, but is not limited to, cancellations, changes in estimates, Closing Date, loan status, or the ability of Lender to have the loan purchased by the Agency within the expiration date.

NJHMFA's ability to offer competitive pricing is directly affected by our Participating Lenders' ability to manage their fallout ratio. "Fallout" refers to a Mortgage Loan that is not delivered according to the reservation terms. A fallout occurs when:

- The reservation expires prior to the Agency's purchase of the Mortgage Loan;
- The Mortgage Loan is denied; or
- The Mortgage Loan is withdrawn or otherwise removed from the Agency's pipeline;

Participating Lenders shall notify NJHMFA staff by electronic mail within one (1) business day of determining that a Mortgage Loan has fallen out due to denial or withdrawal.

On a monthly basis, NJHMFA will compute the pull-through rate of delivery for all Participating Lenders. The pull-through rate is measured by the number and the dollar amount of Mortgage Loans purchased by NJHMFA from a Participating Lender, divided by the number and dollar amount of Mortgage Loans reserved by that Participating Lender during the loan reservation period. Pull-through will be closely monitored by NJHMFA and it may impact the Participating Lender's continuing relationship with NJHMFA.

a. NJHMFA Renegotiation and Extension (R&E)

NJHMFA recognizes that as the mortgage market moves, interest rate decreases may create difficulty retaining locked customers. To accommodate the need for Participating Lenders to be able to offer competitive interest rates and the need for NJHMFA to retain rate lock integrity on our pipeline, NJHMFA will permit a rate lock Renegotiation and Extension (R&E) on locked loans. R&E is limited to once per loan, and product eligibility is limited to the Homeward Bound, First-Time Homebuyer and HFA Advantage Programs. Below are some of the highlights; the full process and terms are listed on the NJHMFA Renegotiation and Extension (R&E) Process and Form, available on the Lender Resources Page:

1. R&E must be requested by the borrower and may not be solicited by the Participating Lender.
2. R&E may only be requested no more than forty (40) days and no less than five (5) business days prior to closing.

b. The Renegotiation and Extension (R&E) Request Form:

1. The R&E request must be completed by using the official form found on the Lender Resources and submitted to Sflenders@njhmfa.gov. Renegotiation and Extension Terms: R&E will result in market rate plus one eighth (0.125%) and a reduction to the loan purchase price.
2. R&E term and rate details can be found on the R&E Form located on the "Lender Resources" Page.

6-3: POLICY ON PROGRAM CHANGES

1. Program change requests should be submitted by the Participating Lender via e-mail to SFLenders@njhmfa.gov;
2. For the first program change request on a loan, the rate will be adjusted to the current market rate (higher or lower) for the new program;
3. Any subsequent program changes for the same loan will result in a worse-case pricing review, and the loan may be subject to higher interest rates.
4. If the loan has not closed at the time the change is made, the borrower will receive the appropriate rate adjustment. If the loan is already closed and is purchasable in the new product, the loan price will be adjusted in order to accommodate the closed loan interest rate.

Chapter 7

PROPERTY GUIDELINES: Standards, Classifications, Reports, Certifications and Inspections

7-1: APPLICABILITY:

At a minimum, Properties must meet the requirements of this chapter.

The Property must be located in the State of New Jersey. Properties must also comply with any and all guidelines of the applicable GSE/Insurer such as Freddie Mac, Fannie Mae, FHA, VA, USDA, a NJHMFA approved mortgage insurance company. If there is a conflict between the NJHMFA and the respective GSE/Insurer, the stricter guideline shall apply.

Due to contextual distinctions and overlap of criteria in this Chapter, the Participating Lender must reference each section of this Chapter with respect to any one criterion in order to ensure that all requirements are met with respect thereto.

7-2: GENERAL PROPERTY STANDARDS:

a. **Livability and Marketability:**
The Agency's property standards emphasize the present adequacy and long-term livability and marketability of the mortgaged Property. The Property should be structurally sound and functionally adequate to meet the present and foreseeable housing needs of the Borrower. Eligible Properties should be modest in size, style and design and must be habitable as of the Closing Date in compliance with all applicable minimum building and housing codes.

b. **Long-Term Security:**
To ensure satisfactory long-term security, the Property should be compatible with the surrounding structures in terms of those factors that affect marketability, such as function, design and quality of construction.

c. **Private Roads:**
When applicable, a Private Road agreement must be included in the Purchase Package and must meet the respective GSE/Insurer's guidelines.

d. **Heated Livings Spaces:**
All living areas must have a permanently installed and functioning heating system. Space heaters do not qualify for this criterion.

e. **Sewage Disposal/Septic Systems:**
The septic system must service only the subject Property, septic systems serving multiple properties are not permitted except for in the instance of a Multiple Unit

Dwelling. If public sewer is available, the Property must be connected. See additional information regarding septic systems and sewage disposal under the applicable Appraisal Reports and Requirements; Property Certifications, Inspections, Testing and Reports - General Overview; and Property Certifications, Inspections, Testing and Reports - Requirements sections of this Chapter.

f. **Private Water Supply/Wells:**
If the Property gets its water supply from a well, that well must be located on the exterior of the Property. There must be at least 100 feet between the well and any septic drain field/absorption bed. If there is less than 100 feet on an existing Property, this condition may be acceptable if the municipal code official provides a statement that it is acceptable due to being grandfathered and if this condition is disclosed, in writing, to the entity insuring or guaranteeing the Mortgage Loan and that entity provides written acceptance thereof. See additional requirements regarding private water supply/wells under the applicable Appraisal Reports and Requirements; Property Certifications, Inspections, Testing and Reports - General Overview; and Property Certifications, Inspections, Testing and Reports – Requirements sections of this Chapter.

g. **Unoccupied Property:**
For all Mortgage Loans on property that is not occupied at the time of contract and sale, the appraiser must confirm that all mechanical systems are on and operational, or clear plumbing, electrical and heating certificates must be provided.

h. **Acreage:**
Properties must meet all underlying investor or Insurer Guidelines with respect to the acreage of the property, as well as any applicable zoning requirements.

i. **Property Address:**

(i) **Property Location Information:**
The Property must be identified by the actual physical and postal addresses, including the house/unit/box number, street name, town and county name and 9-digit zip code in addition to the physical location of the property (including street name, municipality and county if different. The Mortgage Note, Mortgage and legal description(s) contained therein must reflect both the physical address and the postal addresses, if different.

(ii) **Condominium Unit Numbers:**
If a property is a condominium or other type of property that is identified by a unit number in the legal description, the unit number must be included on the Mortgage Note, Mortgage (and legal description(s) contained therein) and in the loan case file.

See additional information regarding condominium unit numbers in Section 7-4 C

j. Underground Oil Tanks

This requirement does not pertain to above ground oil tanks or oil tanks located in the basement of the subject property.

The Agency will not purchase a loan from a Lender if an oil tank is in the ground. If the oil tank was removed, the Agency requires evidence of removal from a licensed, certified contractor and an NFA (No Further Action) letter when applicable.

7-3: APPRAISAL REPORTS AND REQUIREMENTS:

a. General Requirements:

All Purchase Packages submitted to NJHMFA must be accompanied by a copy of the "Uniform Residential Appraisal Report" (URAR, FNMA Form 1004) and the "Statement of Limiting Conditions and Appraiser's Certification" (FNMA Form 1004B). The appraisal must support the value of the property, and satisfy all requirements in this Guide along with applicable GSE/Insurer eligibility requirements.

NJHMFA requires compliance with all applicable laws by appraisers to ensure appraisals are not based on race, color, religion, gender, gender expression, age national origin, disability, marital status, source of income, sexual orientation, familial status, employment status, military status or any other characteristic set forth in the N.J. Law Against Discrimination, of either the present or prospective owners of subject property.

NJHMFA reviews appraisals for quality, scoring and reasonableness and may condition questionable values or other appraisal inconsistencies.

(I) All appraisals must be compliant with Appraiser Independence Requirements (AIR) specified by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the FDIC, FHFA, Fannie Mae and Freddie Mac.

(ii) Appraisals must show the census tract in which the Property is located.

(iii) FHA appraisals must be accompanied by a "Conditional Commitment/Direct Endorsement statement of Appraised Value" (HUD 92800.5B).

(iv) VA appraisals must be accompanied by a "Certificate of Reasonable Value" (VA 26-1843) or the Lender's Notice of Value.

(v) All existing property appraisals must be accompanied by clear photographs of the interior, front and rear view of the Property, and a street scene that includes the Property (excluding VA Mortgage Loans and HUD Property Disposition Program Set-Aside Mortgage Loans, if photographs are not available.)

b. **Acreage**:
Properties must meet all underlying investor or Insurer Guidelines with respect to the acreage of the property, as well as any applicable zoning requirements.

c. **Private Sewage Disposal/Septic Systems:**
The appraiser must clearly identify the exact type and location of the private sewer system servicing the Property. "On-site" is not acceptable. See additional information regarding Septic Systems under the applicable General Property Standards and Property Certifications sections of this guide.

d. **Private Water Supply/Wells:**
The appraiser must clearly identify the exact type and location of the private water system servicing the property. "On-site" is not acceptable. See additional information regarding Private Water Supply/Wells under the applicable Property Guidelines; Property Certifications, Inspections, Testing and Reports - General Overview; and Property Certifications, Inspections, Testing and Reports – Requirements sections of this Chapter.

e. **Pre-Manufactured and Manufactured Housing:**

(i) The appraiser must address both the marketability and compatibility of manufactured homes. The materials and construction of the improvements must be acceptable in the subject market area. The appraiser should also comment on the sufficiency of the living areas of the home, the interior room size, storage, adequacy of roof pitch and overhangs and the compatibility of the exterior finish. In addition, the appraiser must address the marketability and value of manufactured homes in the subject market area in comparison to the marketability of site-built housing in the area.

(ii) The appraiser should use comparable sales, similar manufactured homes, comparing multi-sectional homes with other multi-sectional homes. If comparable sales of similar homes are not available, the appraiser may use site-built housing as comparable so long as it is explained why it is being done. When there is a preference for site-built housing in the subject market area, the appraiser must adjust the site-built comparables to reflect the market's reaction to manufactured homes.

f. **Satisfactory Completion Certificate.**
With respect to appraisals made subject to repairs, alterations or conditions, or subject to completion per plans and specifications, Seller must submit to the Agency, on the delivery date, a statement of satisfactory completion. This report shall be made after completion of repairs, improvements, alterations, conditions or construction, and must

clearly state substantial compliance with all conditions or requirements as set forth in the original appraisal report of the mortgaged premises. The original appraiser must prepare this statement of satisfactory completion.

g. **Appraiser Standards:**
The Participating Lender must be able to furnish, upon request from the Agency, evidence that any appraiser they are doing business with has adequate experience and expertise or has been approved by FHA or VA. This generally means that the appraiser:

(i) Is a real estate appraiser licensed and in good standing with the state of New Jersey, a General Appraiser or Residential Appraiser and not previously disqualified by the Agency;
(ii) Has successfully completed a national recognized basic appraisal course and has at least two years full-time real estate appraisal experience;
(iii) Has demonstrated a high level of integrity, professional ethics and technical ability; and
~~(i)~~(iv) is approved by FHA or VA or, for conventional loans, meets Fannie Mae's or Freddie Mac's Appraiser Independence Requirements, as applicable.

7-4 PROPERTY TYPES AND CLASSIFICATIONS:

a. **Single Family Dwellings**:
A residential building designed for use by one family, or a unit of a Multiple Unit Dwelling designed for residential use by one family, the owner of which unit owns an undivided interest in the underlying real estate. The term Single Family Dwelling may also include a single unit condominium or factory-made housing that is permanently affixed to real property. The term also includes property, owned in common with others, which is necessary or contributes to the use and enjoyment of such a structure or unit.

b. **Multiple Unit Dwellings:**
In Agency programs where financing of Multiple Dwelling Units is permitted, in addition to meeting all applicable FHA, VA or private mortgage insurance guidelines, as applicable, the Property must also meet the following NJHMFA requirements:

(i) For the First-Time Homebuyer Program, the building must have been occupied as a residence for at least five years immediately preceding the Closing Date, provided that a unit may have been vacant during such period if the unit was, from the time previously occupied as a residence, held out for residential use and not occupied for any portion of such period in connection with a commercial or business use.

(ii) A property title report is required on all existing Multiple-Unit Dwellings. This report must meet the following requirements:

- For the First-Time Homebuyer Program, provide a five-year title history, indicating names of title holders and dates of conveyances and property census tract and
- be issued by a title insurance company or other business enterprise engaged in the business of providing title search information.

(iii) Mortgagors must already occupy one unit of the dwelling as their primary residence:

- On the Closing Date for a Stay at Home Mortgage Loan,
- Within sixty (60) days of closing for First-Time Homebuyer or Homeward Bound Mortgage Loan, or
- within one hundred twenty (120) days of closing for a PFRS Mortgage Loan.

(iv) For the First-Time Homebuyer Program, in a Target Area, the building may be a new 2-unit dwelling. In this case, the property does not need to meet the five-year requirement.

(v) In the State of New Jersey, 3-to-4-unit dwellings are subject to the Hotel and Multiple Dwelling Health and Safety Act, N.J.S.A. 55:13A-1 et seq. ("the Act") Properties under the Act must be registered with the New Jersey Department of Community Affairs ("DCA") and are required to have a Certificate of Inspection from the DCA Bureau of Housing Inspection or its designated local inspector. Owners of 3-to-4-unit dwellings are issued a DCA Green Card as evidence that the Property has passed State inspections.

Register the property with the DCA on the DCA Service Portal at dynamics365portals.us

(vi) Participating Lenders must show evidence that a 3-to-4-unit dwelling has been registered with the State of New Jersey by providing the Certificate of Registration.

(vii) Participating Lenders must request copies of any pending violation notices issued by the State and a copy of the DCA Green Card, if one exists.

(viii) Participating Lenders must document their files as to the basis of any determinations made concerning the existence of a DCA Green Card. In addition, where a DCA Green Card does not exist, the Mortgagor(s) should be made aware that the State may require the Mortgagor(s) to correct any violations found during a future State inspection.

c. Condominiums/Planned Unit Developments:

Condominium projects or PUDs must meet ~~eligibility requirements of each~~the respective underlying GSE/Insurer guidelines for the particular program as applicable ~~GSE/Insurer~~ and any NJHMFA ~~guidelines~~ overlays set forth in this Guide. Lenders must submit condo project approval documentation to match the required approval in the AUS finding. A condominium project that does not meet GSE/Insurer or NJHMFA guidelines may require a loan repurchase.

(i) Documentation requirements for conventional condominium loans based on review method:

1. Full or Established Review:
   - HOA Questionnaire
   - Blanket/Master Policy with the HOA as the named insured, in addition to interior coverage, if not included in blanket policy.
   - Liability Policy
   - Fidelity/Crime Policy (for all projects with 21 or more units).
   - Budget with 10% reserves.
2. Limited or Streamline Review:
   - HOA Questionnaire
   - Blanket/Master Policy with the HOA as the named insured, in addition to interior coverage, if not included in blanket policy.
   - Liability Policy
   - Fidelity/Crime Policy (for all projects with 21 or more units).
3. New Project Review:
   - HOA Questionnaire
   - Blanket/Master Policy with the HOA as the named insured, in addition to interior coverage, if not included in blanket policy.
   - Liability Policy
   - Fidelity/Crime Policy (for all projects with 21 or more units).
   - Budget with 10% reserves.
4. Reciprocal Project Review:
   - HOA Questionnaire
   - Blanket/Master Policy with the HOA as the named insured, in addition to interior coverage, if not included in blanket policy.
   - Liability Policy
   - Fidelity/Crime Policy (for all projects with 21 or more units).
5. 2-4 Unit Project not permitted.

(ii) Documentation requirements for FHA condominium loans based on review method:

1. Unexpired HRAP and DELRAP approval on HUD.GOV and Single-Unit approval.
~~1.~~2. All documents used to determine project eligibility as outlined in the FHA Single Family Housing Policy Handbook 4000.1.

(iii) The Mortgagor must receive a fee simple interest in the real estate and a pro-rata share in the common elements. All common areas and facilities (including those that are part of an umbrella association) must have been completed prior to the Closing Date.

(iv) For **First-Time Homebuyer Conventional Mortgage Loans**, the Participating Lender must review the project documents and certify compliance with all warranties listed in the Condominium Warranty form (HMFA 0016). A copy of the certification must accompany the documents submitted in the underwriting package.

(v) The NJHMFA reserves the right to reject any Mortgage Loan on a condominium unit if Agency Staff determine, in their discretion, that the project, its developer, its owner's association, condominium documents, or any combination of these factors constitute an excessive underwriting risk.

(vi) For FHA, VA or USDA Mortgage Loans, the NJHMFA will require evidence that the condominium or planned unit development is approved by the particular agency that will be the insurer guarantor.

(vii) The NJHMFA does not approve condominium projects. It is the Participating Lender's responsibility to review the necessary documents and execute the Condominium Warranty (HMFA 0016), if applicable, and/or to meet the insurer's/guarantor's requirements.

(ix) Condominiums in CHOICE Projects:

1. The NJHMFA requires that 51% of the units in a project be under contract of sale to separate purchasers (at least 60% of which will be owner occupants) prior to purchase of any Mortgage Loan by the NJHMFA.

2. The NJHMFA will purchase Mortgage Loans for up to a maximum of 50% of the units in any one phase of a project.

d. **Pre-manufactured and Manufactured Housing**:

NJHMFA will consider Mortgage Loans for properties that include a manufactured or factory-built home, providing that the structure has been built under Federal Manufactured Home Construction and Safety Standards established June 15, 1976, as may be amended.

(i) Pre-manufactured housing (commonly known as “modular homes”) that meets the Building Officials and Code Administrators International (“BOCA”) Code and the New Jersey State Uniform Commercial Code, and either is completed at the factory and assembled on site or roughed in at the factory and assembled and finished on-site is eligible under the Agency’s standard underwriting criteria.

(ii) Manufactured housing (commonly known as “mobile homes”) that meets the HUD Code is eligible for Agency financing.

(iii) For government insured/guaranteed loans (FHA, USDA, VA), the Participating Lender is also to follow the respective Federal agency’s guidelines for manufactured housing.

NJHMFA’s guidelines for conventional Mortgage Loans are as follows:

1. New manufactured homes must be permanently affixed to a foundation;
2. Existing manufactured homes must be permanent affixed to the foundation in accordance with one of the foundation requirements set forth below:
    - A foundation that has footings below the frost line. If piers are used, they must be placed where the unit manufacturer recommends;
    - If State law requires anchors, they must be provided;
    - The foundation system must meet local codes and have been designed by an engineer to meet soil conditions of the site and assume the characteristics of site-built housing; or
    - If the local code mandates that existing manufactured homes must be reinstalled in conformance with the State code, then the manufactured home must meet the requirement listed above for new manufactured homes;
3. The structure must be defined, deeded and taxed as fee simple real estate;
4. The purchase of the land and the home must represent a single real estate transaction under applicable State law;
5. The financing must be evidenced by a mortgage recorded in the land records. A combination of chattel and real estate mortgage is **not** acceptable;
6. Wheels, axles, and hitches must be removed when the home is placed on its permanent site;

7. Each home must have sufficient square footage and room sizes to be acceptable to typical purchasers in the market area; and
8. All installations must be approved by a Design Approval Primary Inspection Agency (DAPIA).

Private mortgage insurance companies may have standards that are more restrictive than those listed herein. If private MI is to be used, the Mortgagor must satisfy that provider's requirements in whole, the above standards in whole, or a combination of the two such that for each criterion, the Mortgagor satisfies the most stringent.

e. **New Development Requirement:**
Applicable only to Mortgage Loans in the Agency-Originated 100% Program for Properties in CHOICE Projects.

(i) If the Agency has made a specific allocation of funds to finance Mortgage Loans for development projects, including condominium projects, no more than the greater of 25 units or 50% of the units in any such development, including condominium projects, may be financed with Mortgage Loans, except that up to 10% of the aggregate principal amount of Mortgage Loans may be used to finance over 50% of the units in developments of over 50 units which are designed to meet the fair share housing requirements of a municipality within the meaning of the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.), as long as no such development contains more than 125 units. Where developments are phased, the limitations set forth in this paragraph shall apply to each phase.

(ii) The Agency, however, may exceed the aforementioned 10% limitation and use up to 25% of the aggregate principal amount of Mortgage Loans to meet the fair share low- and moderate-income housing obligations of developing communities as long as developments represented by the aggregate amount of the Mortgage Loans in excess of said 10% have project approval by the Mortgage Loan's mortgage insurer or guarantor and each development contains 25 or fewer units.

(iii) Any development with more than 25 units to be financed with Mortgage Loans must meet the criteria for approval by Fannie Mae and/or Freddie Mac.

(iv) No more than 20% of the aggregate principal amount of the Mortgage Loans may be specifically allocated to finance the purchase of single family residences sold by the same corporation, partnership or sole proprietorship that is in the business of constructing, reconstructing or rehabilitating single family residences.

(v) No more than 20% of the aggregate principal amount of the Mortgage Loans may be allocated specifically for any one development or condominium project.

f. **Leasehold Financing:**
The Agency will consider financing Mortgage Loans on leasehold estates on a case-by-case basis. At a minimum, the remaining term of the lease must be at least five years longer than the term of the Mortgage Loan and the cost of the leasehold must be nominal. A copy of the land lease must be submitted to the Agency for consideration.

Considerations the Agency will take in order to make a determination are:

(i) The use of a leasehold must be common to the area;

(ii) Marketability must not be affected adversely;

(iii) The land lease must be recorded and subordinated to any and all Agency mortgage liens on the Property;

(iv) Assignment of the leasehold must be permitted without the permission of the lessor;

(v) The Agency must be allowed the right to acquire in its own name or the name of its nominee the rights of the lessee upon foreclosure or assignment in lieu of foreclosure; and

(vi) The improvement must be real property with a deed and Mortgage that are recordable in the county deed and mortgage registers.

g. **Investment Properties:**
Investment properties are **not** permitted under any of NJHMFA's Homeownership Programs. The Property must be occupied as a principal residence of the Borrower. The only exception is that the remaining units of a Multiple Unit Dwelling may be rented, so long as one unit is the Borrower's primary residence.

h. **Ineligible Properties:**
Ineligible property types are mixed use properties, land-only properties, except as otherwise established in this guide, and properties with underground oil tanks.

7-5: PROPERTY CERTIFICATIONS, INSPECTIONS, TESTING AND REPORTS - GENERAL OVERVIEW:

a. Standard industry property certifications are required on all loans. These certifications must be obtained and submitted in accordance with any and all guidelines of the applicable GSE/Insurer such as Freddie Mac, Fannie Mae, FHA, VA, USDA, a Fannie Mae-approved mortgage insurance company. If there is a conflict between the NJHMFA's and the respective GSE/Insurer's requirements, the stricter requirement shall apply. Property location and type may also affect the number and type of certifications required for a Mortgage Loan to be eligible for purchase.

b. Copies of all required inspections, certifications and reports must be included with the Purchase Submission Package. This includes, but is not limited to, any required appraisals, certificates of occupancy, housing code letters, underground storage tank (UST) certifications, fire marshal certifications, water and septic certifications, wood destroying insect reports and documentation of any issues that affect or may affect the safety, structural integrity or habitability of the Property, including those concerning the status of any mechanical, plumbing, electrical or HVAC systems serving the Property, in addition to any other certifications required by Federal, State, county, or local law or that may be required by the insurer or guarantor of the Mortgage Loan.

c. Additional certifications are also required if the appraisal is subject to them, or if there are any comments made indicating that a certain condition could affect the safety, structural integrity, mechanical systems or the habitability of the improvements.

d. All deficiencies must be corrected prior to closing unless a prior, written express waiver has been given by NJHMFA. All required repairs must be completed by properly licensed/registered and qualified contractors. All certifications must be provided by such licensed/registered and qualified contractors on appropriate letterhead (or using a standard industry form) or by the appropriate governmental official on official letterhead (or using a standard industry form).

e. The Agency recognizes that due to weather conditions, minor items not affecting livability, whether on or off site may be incomplete at the time of loan closing. Exceptions to close the loan with these outstanding items may be acceptable to the Agency if the following requirements are met:

(i) A certificate of occupancy or temporary certificate of occupancy has been issued, or if the municipality does not issue certificates of occupancy, the Participating Lender or an appraiser certify that the Property is substantially complete, that there are no health, safety, sanitation or other conditions that would make the Property uninhabitable, and provide, for Agency approval, a list of any and all items that need to be installed, repaired or replaced; and

(ii) The Participating Lender assumes the responsibility for any escrow holdback. The Agency will not purchase any loan with an active escrow for repairs or improvements. All properties must be habitable and occupied by the Borrower within sixty (60) calendar days of loan closing. The Participating Lender must provide an updated statement of satisfactory completion when all items are complete. The statement must be prepared by the original appraiser.

7-6: PROPERTY CERTIFICATIONS, INSPECTIONS, TESTING AND REPORTS - REQUIREMENTS:

a. Wood-Destroying Insect Certification:

Properties must meet all underlying Investor/Insurer Guidelines.

If the appraisal notes any possible infestation or damage, then a wood destroying insect report is required. If evidence of infestation and/or damage was observed, the report must be signed by the borrower and an inspection graph must be provided. If the infestation is active, or prior infestation is referenced and treatment is recommended, proper control measures must have been taken prior to approval. If structural damage resulted from the infestation, the lender must also provide proof that the damage was satisfactorily repaired or a report from a qualified inspector that the damage does not affect the structural integrity of the home. New homes less than one year old and never lived in along with condominiums constructed of concrete and steel or on a second level or higher, are exempt.

b. Flood Certification/Determination:

The Participating Lender should order flood determinations as soon as possible in the Mortgage Loan process. All flood zone determinations must be completed by one of the seven servicer approved vendors: Corelogic, Servicelink, CBC Innovis, Flood Zone Determination Services, Data Verify Flood Services, Factual Data, and Kroll Factual Data. If such determination reveals that the Property or any portion thereof is located in a Special Flood Hazard Area (SFHA), the Participating Lender must so notify the Borrowers in that transaction, in writing, as soon as possible. All loans also must have a transferrable life of loan flood certificate, as well as accurate flood data.

(i) Life-of-Loan (LOL) flood determinations are required for every NJHMFA loan. The LOL flood certificate should list the insured as:

New Jersey Housing and Mortgage Finance Agency C/O LoanCare, LLC
ISAOA/ATIMA
P. O. Box 202049
Florence, SC 29502-2049

~~***New Jersey Housing and Mortgage Finance Agency, ISOA, ATIMA***~~
~~***c/o Central Loan Administration and Reporting***~~
~~***P.O. Box 202028***~~
~~***Florence, SC 29502-2028***~~

(ISOA: Its successors or assigns; ATIMA: As their interests may appear).

(ii) The completed FEMA Elevation Certificate (including photographs) and the application for flood insurance are also required and must be included with the LOL certificate in the Purchase Package.

c. **Private Sewage Disposal/Septic systems:**
Septic systems must be certified that they are operating correctly.

d. **Private Water Supply/Wells:**
Testing and certification of private water supply and wells are required as follows:

(i) **Potability Test:**
Well water must be tested and a report from an EPA and/or DEP certified laboratory stating that the water is potable and/or that the water is safe for drinking or household use. The report must reflect that the test was performed within four months of closing and must be provided at closing.

(ii) **Flow Test:**
Required only on new wells. A certification is to be prepared by the well driller stating that the flow of the well in gallons per minute and that this flow approximates at least the minimum acceptable flow in the general area of the residence. The well driller's certification, which must be no older than 4 months as of the closing date, is to be included as an additional document in the Purchase Package.

e. **Property Surveys:**

(i) **Survey Requirements:**
The Participating Lender is to refer to the respective first mortgage insurer guidelines. FHA/VA/USDA do not require a survey of the property if the title company can provide a survey endorsement in lieu of a survey and insure the transaction. NJHMFA will accept a "No Survey" survey endorsement provided the title policy lists no open exceptions related to property boundaries.

(ii) **Survey Affidavits:**
A survey affidavit of no change, approved by the title company will be acceptable on surveys up to 2 years old.

(iii) **Survey Certificate:**
A survey certificate is acceptable for a condominium property.

f. **Legal Description of Property:**

(i) **General.**

The legal description set forth in the mortgage application, the mortgage title insurance commitment, the Mortgage, and final policy of title insurance must match the survey, be approved by the title company, and be in one of the following basic forms:

1. Metes and bounds; or
2. Lot and block on a recorded map or plat.

(ii) **Metes and Bounds**.

A metes and bounds description should comply with the following standards in addition to survey requirements:

1. The beginning point should be established by a monument located at the beginning point, or by reference to a nearby monument;
2. the sides of the Property should be described by giving the distances and bearings of each. In lieu of bearings, it is equally acceptable to use the interior angle method, provided that the beginning point is located on a dedicated public street line or other property fixed line or the course of the first side can be otherwise properly fixed;
3. the distances, bearings and angles should be taken from a recent survey, or recently recertified survey, prepared by a licensed land surveyor;
4. curved courses should be described by data including:
    - Length of arc;
    - Radius of circle for the arc; and/or
    - Chord distance and bearing.

    Exception: if deemed locally adequate by prudent private institutional investors, when a curved course is part of a dedicated public street or road line, that course may be described merely indicating the distance and direction which that course takes along the street line from the end of the previous course; and
5. The legal description should be a single perimeter description of the entire plot. Division into parcels should be avoided unless a special purpose of the specific Mortgage Loan is served. For example, division may be necessary if the plot is located on two sides of a public way to describe an easement appurtenant to the Property by using a separate description.

(iii) **Lot and Block Description.**

A description composed of lots and blocks that include reference to a recorded map or plat on which said lots and blocks are delineated may satisfy the legal description requirement. Mere reference to lots and blocks on a municipal Tax Map may not suffice.

(iv) **Additional Acceptable Descriptions**.

A description composed of a parcel bounded on all sides by dedicated streets or alleys can acceptably refer to the bounding lines of the streets or alleys alone.

Chapter 10

SELLING THE LOAN TO NJHMFA

10-1: PERFORMANCE STANDARDS:

It is the Participating Lender's responsibility to ensure that: (a) the closing, shipping and final document personnel have been trained to process NJHMFA loans and (b) all Closing and Post Closing Activities conform to NJHMFA requirements. If additional training is needed, please contact the Manager of Business Development at 1-800-NJHOUSE.

If at any time during the life of a Mortgage Loan a quality control review reveals the Participating Lender has failed to follow procedures or clear an outstanding issue or any material defect or inaccuracy cannot be rectified to the satisfaction of the NJHMFA or the Trustee, the Participating Lender may be required to repurchase the mortgage loan from the NJHMFA. Repurchase is discussed in detail in Chapter 12.

10-2: SUBMITTING THE PURCHASE PACKAGE

a. **Purchase Submission Deadline:**
To avoid extension fees, the Participating Lender must deliver a complete Purchase Submission Package in time to be purchased by NJHMFA on or before the reservation expiration date. Closed loan packages must be submitted within 7 days of closing so that any non-fatal TRID disclosure issues can be resolved. In no case will a loan package submitted more than 30 days after closing be accepted for purchase review.

b. **Delivery:**
All government insured, down payment assistance and PFRS loans will be delivered in accordance with the applicable program's checklist.

c. **Purchase Submission Documents Transmittal:**
To complete a Purchase Package, use the program-specific HMFA Form 100, Purchase Review Submissions Checklist, as a guide to assemble and check off the items that are being submitted. The information on this form will aid in submitting a complete purchase package. That form indicates the stacking order when the original documents are required, and what items are needed for the different types of programs offered by NJHMFA.

d. **Mortgage Modification Agreements:**
A mortgage modification agreement is required to correct an error or omission on the recorded mortgage or when the payments begin on a date different than stated on the Note and Mortgage.

e. **MERS**
The Agency will not accept mortgages recorded through the Mortgage Electronic System (MERS).

10-3: SERVICING PROCEDURES AND DOCUMENTS

All Mortgage Loans are sold servicing-released to NJHMFA; the Participating Lender must perform any Interim Servicing. The Participating Lender is to sell the Mortgage Loan servicing-released to NJHMFA immediately following closing, but no later than the expiration of the delivery period. The last page of the HMFA Form 100 contains the documents that are required for the servicing transfer to NJHMFA. Some additional details are contained below for the items that are generally completed by the Participating Lender after closing.

a. Tax Certification:

A Tax Certification is required to verify taxes were paid for School, County and City/Township or Borough as applicable at the time of purchase review in order to verify tax disbursements noted on closing documents. An updated tax certification may be required.

Please use the last month of the discount period for the disbursement due date on all real estate taxes. The disbursement month must remain consistent from year to year or it will affect the aggregate analysis. This information should be available at settlement to comply with RESPA Aggregate Analysis procedures.

If the Property is part of a tax abatement program, the Escrow amount used for closing and the CD should be based on the actual amount due under the abatement program for the upcoming year.

b. Insurance and Insurance Policies.

Insurance requirements are discussed in detail in Chapter 8, Insurance Requirements.

(i) **Homeowners Insurance**:

Forward the insurance declaration pages for Homeowners and/or Flood Insurance with a copy of the check or receipt for one full year's premium.

The first mortgagee clause on all insurance policies is to read:

New Jersey Housing and Mortgage Finance Agency~~, ISAOA, ATIMA~~
c/o LoanCare, LLC, ISAOA/ATIMA
P.O. Box 202049
Florence, SC 29502-2049
~~c/o Central Loan Administration & Reporting~~
~~P.O. Box 202028~~
~~Florence, SC 29502-2028~~

(ii) **Flood Insurance**:
The application for a flood insurance policy must be signed and dated by the Borrower and the agent. If this payment is included on the settlement statement and was paid at closing, it is not necessary to send copies of the check or receipt. If it is shown as a POC, then a payment receipt for the first year's premium is required.

(iii) **Condominium Insurance**:
For condominiums it is the Participating Lender's responsibility to obtain proof of insurance from the Mortgagor(s) and the Condo Association to establish that there is a sufficient amount of replacement value insurance to completely rebuild the unit in the event of a total loss.

Provide the HO6 policy of the homeowner's policy and a Certificate(s) of Insurance from the condominium association for Hazard Insurance and flood insurance, if applicable.

(iv) **Copy of Mortgage Insurance MI Certificate**:
Please be sure to include a copy of the MI Certificate in file.

(v) **FHA Connection – HUD Holder/Servicer Transfer**
The HUD Holder/Servicer in the FHA Connection System must be transferred to reflect the Agency and the Agency's designated Servicer. Failure to timely notify FHA of the sale of an applicable Mortgage Loan and the accompanying transfer of the FHA Case Number to the Agency may result in the required repurchase of the mortgage loan by the originating Participating Lender. For reference, the Agency's ID number is 30269 09998 (NJHMFA) ~~30084~~ 70101 (~~CENLAR~~LoanCare).

c. **Reporting to IRS:**
The Participating Lender is required by Federal Law to report to the IRS and interest collected at closing in accordance with IRS regulations. Any interest collected from mortgage payments while Interim Servicing must be reported as well. This is your responsibility as the Participating Lender.

10-4: SUMMARY REPORTS

a. **Loan Pipeline Report – Program Type:**
The Loan Pipeline Report – Program Type is updated continuously and is available via the ~~ILRS.~~Lender Portal.

b. **Open Conditions & Loans by Status Report:**
This report is updated daily and available online using the ~~ILRS.~~Lender Portal.

10-5: PURCHASE AND SALE OF MORTGAGE LOAN

a. The Participating Lender shall process and report applications for Mortgage Loans and deliver Mortgage Loans to the Agency in accordance with the Mortgage Loan Delivery Schedule.

b. The Agency shall purchase and pay for each Mortgage Loan properly submitted to it for purchase in accordance with this Guide, applicable Term Sheet, and guidelines within 15 business days of such submission for purchase. See Section 10-2A, page 10-1.

c. The net purchase price payable by the Agency to the Participating Lender on the Purchase date for each Mortgage Loan purchased by the Agency shall be as set forth in this Guide. The Mortgage Loans are sold servicing-released and the acquisition of servicing rights by the Agency are included in the purchase fee.

(i) All amounts collected by the Participating Lender for establishing the initial escrow account shall be retained by the Participating Lender and shall be subtracted from the Purchase Price of the Mortgage Loan.

(ii) If Participating Lender shall knowingly cause the refinance or payoff of a Mortgage Loan sold to the Agency by that Participating Lender within six (6) months of the Purchase, the Participating Lender shall reimburse the Agency for any servicing release premiums paid to Participating Lender in connection with the Mortgage Loan.

d. The Participating Lender agrees to comply with all of the terms, conditions, and requirements of this Guide, applicable Term Sheet, and guidelines in effect as of the Closing Date with respect to such Mortgage Loans closed thereon unless expressly waived by Agency Staff, in writing, under the process set forth in this Guide.

e. The Participating Lender agrees that the Agency shall have the right to amend and supplement this Guide, Term Sheets and Mortgage Program guidelines from time to time by distributing the changed pages via electronic mail and posting on the Agency's website; such amendments or supplements to be effective five (5) business days after the date of the electronic mailing thereof unless otherwise set forth; provided, however, that (i) in the event of any conflict between the provision of the Agreement and any provision of this Guide, Term Sheet, and guidelines as from time to time amended or supplemented, the Agreement shall govern and (ii) any amendments or supplements to the Guide, Term Sheet, and guidelines shall not apply to Mortgage Loans for which the actual Closing Date was prior to the effective date of the amendments or supplements.

10-6: CONDITIONS TO PURCHASE

The Agency shall be obligated to purchase any Mortgage Loan offered for sale by the Participating Lender under the Agreement only if the Mortgage Loan fully complies with the requirements of the Agreement and this Guide in all respects, including, but not limited to satisfying the following:

a. The Participating Lender shall follow the reservation, eligibility, and document submission requirements of this Guide for each Mortgage Loan. See Section 10-2A, page 10-1.

b. The Participating Lender shall pay all costs of preparing and furnishing to the Agency and, if applicable, the GSE or Insurer, any and all documents necessary for underwriting and closing the Mortgage Loan.

c. As set forth in this Guide, certain mortgage documents will be reviewed by the Agency or its duly authorized/designated vendor (who shall be the Agency's designee) prior to accepting the Mortgage Loan for purchase.

(i) For any Mortgage Loan that the Agency or its designee has deemed in whole or in part defective or deficient, the Agency may refuse to Purchase the Mortgage Loan until the Participating Lender cures any and all defects, if possible, and timely extends the reservation on the loan, the obtaining of and fees for which are the Participating Lender's sole responsibility.

(ii) The Agency or its designee shall also complete quality control reviews of Mortgage Loans post-purchase, in a process and timing that satisfies FHA quality control requirements. The Participating Lender will be required to correct any deficiencies or defects found during such quality control review within sixty (60) days of being so notified by the Agency or it may be required to repurchase the Mortgage Loan.

The Lender shall be required to Repurchase any Mortgage Loan that is selected for review and deemed not salable or insurable and/or deficiencies cannot be cured. Loans may be selected for review based on the following:

1. Randomly selected for a Quality Control review.
2. Quality Control review as a result of an Early Payment Default.

3. Quality Control review due to any other business need.

The Lender may be subject to indemnifying the Agency for any losses on the loan, and financial penalties as determined by the Agency. The penalties may include reimbursing NJHMFA for all liabilities, obligations, losses, damages, penalties, fines, forfeitures, court costs and reasonable attorneys' fees, judgements, suits and any other costs or fees directly or indirectly resulting from identified deficiencies that are unable to be cured, plus a fee of $2,000 in connection with the loan. Ongoing material loan deficiencies may lead to termination of Mortgage Purchase Agreement.

(iii) The Agency's retention of a designee to perform any Mortgage Loan review functions shall not constitute a waiver of any warrant, representation, or covenant by the Participating Lender or the Mortgagor with respect to the Mortgage Loan.

d. The Agency's timing to review and purchase Mortgage Loans shall take place as set forth in this Guide.

10-7: MORTGAGE LOAN BENCHMARKS

The Agency shall be obligated to purchase and pay for any Mortgage Loan offered for sale by the Seller under the Agreement only if, with respect to Mortgage Loan, the following conditions have been met as of the following dates:

a. **As of the Closing Date:**

(i) The Mortgage Loan was lawful under all applicable local, State and Federal laws, rules and regulations that govern the affairs of the Participating Lender, the Agency, and the Mortgagor, including, without limitation, all applicable real estate settlement procedures, truth-in-lending and anti-discrimination laws.

(ii) The Mortgage Loan is insured under a private mortgage insurance policy or an FHA mortgage insurance program or is guaranteed by VA or USDA. The Participating Lender has complied with all rules and requirements of the insuring or guaranteeing entity and the insurance or guarantee is in full force and effect and will inure to the benefit of the Agency upon Purchase of the Mortgage Loan.

(iii) The Participating Lender has complied, and the Mortgage Loan complies, with all the terms, conditions and requirements of this Guide and applicable Term Sheets and guidelines unless any such terms, conditions and requirements shall have been waived by the Agency in writing.

(iv) The Mortgage Loan bears interest at a rate which is specified in the reservation commitment from the ~~ILRS~~Lender Portal, subject to timely and proper extensions thereof as set forth in this Guide.

(v) The closing costs, fees and charges, of whatever kind or nature, which were collected from the Mortgagor and from the Participating Lender of the residential property did not exceed the aggregate of (1) the actual amounts expended for continuation of abstract, title insurance, realty transfer fee, attorney's fees, credit reports, surveys, appraiser's fees and filing and recording fees and other fees and charges; (2) the actual amounts paid or escrowed for taxes and insurance; and (3) the application fee, if any, set forth in the applicable Term Sheet.

(vi) The total discount fees (points) do not exceed the currently allowable limits set forth in the applicable Term Sheet.

(vii) The note evidencing the Mortgage Loan is a legal, valid and binding obligation of the maker thereof and is enforceable in accordance with its terms, and is secured by a first mortgage lien upon the property. No counterclaim, set-off, defense, or right of recession exists that can be asserted and maintained by the Mortgagor or any successor in interest of the Mortgagor against the Participating Lender or the Agency, as assignee of the Mortgage Loan.

(viii) The terms of the Mortgage Loan require that, in addition to interest and principal payments on the Mortgage Loan, the equivalent of one-sixth of the estimated annual taxes, assessments and applicable insurance premiums on the mortgaged property are to be paid monthly in advance to the holder or Servicer of the Mortgage Loan.

(ix) The Mortgage Loan does not exceed 100% of the Property Value or, as applicable, the maximum amount permitted by FHA, VA and/or USDA guidelines, whichever is less.

(x) The Mortgage Loan application was taken and the related Firm Commitment to Mortgagor was made after the Starting Date of Program.

(xi) The Mortgage Loan was made to finance the purchase of an Eligible Property and all improvements so financed have been fully completed or moneys have been placed in escrow therefore.

(xii) The Mortgage Loan shall have been closed by the Participating Lender or its closing agent.

(xiii) Based upon an inspection made by or on behalf of the Participating Lender, in connection with making the Mortgage Loan, said property is served by properly functioning heating, electrical, and water and septic or sewage systems, is free from material damage, and is in general good repair.

(xiv) The Participating Lender has no knowledge of any improvement on the real property covered by the Mortgage Loan in violation of any laws or regulations affecting the premises included, without limitation, applicable building, zoning and environmental protection laws or regulations.

(xv) The Participating Lender has no knowledge of Property being damaged by waste, fire, earthquake, windstorm, flood, tornado or other cause.

(xvi) The Participating Lender has no knowledge of any condemnation proceedings being instituted or threatened against the Property.

(xvii) The improvements on the real property securing the Mortgage Loan are covered by a valid and subsisting policy of hazard insurance and flood insurance (if applicable) in an amount sufficient to compensate the Agency for a loss equal to the full amount of the unpaid balance of the Mortgage Loan.

(xviii) The Participating Lender has no knowledge of any facts or circumstances, economic or otherwise, which may have an adverse effect on the credit of the Mortgagor, the prospect of prompt payment of the Mortgage Loan or the value of any security therefore.

(xix) No Mortgage Loan shall have been made for the purpose of construction financing.

(xx) The Acquisition Cost of the Property is within the limits established in the Participating Lender Guide, applicable Term Sheet, and/or guidelines.

(xxi) All affidavits, certificates, and other documents required by this Guide and relevant Program Guidelines have been properly executed and are in the possession of Participating Lender.

(xxii) The Participating Lender shall have no reason to believe that any representation or warranty set forth in an Agency-required affidavit is untrue or incorrect.

(xxiii) The income of the Mortgagor, determined as set forth in this Guide, is not in excess of the applicable income limit, if any, set forth on the applicable Term Sheet.

b. **As of the Purchase Date:**

(i) To Participating Lender's best knowledge after due and diligent inquiry, the information set forth in all documents submitted to the Agency, including electronically transmitted documents and data pertaining to each Mortgage Loan, is true and correct as of the date thereof, and will be true as of the Purchase Date.

(ii) The Mortgage Loan is secured by a valid first lien (or in the case of an Agency down payment or closing cost assistance loan, is secured by a valid second lien) either on the fee simple title to or on a leasehold estate acceptable to the Agency on an Eligible Property.

(iii) There is no default or delinquency under the terms and covenants of the Mortgage Loan.

(iv) No payments are past due or unpaid under the Mortgage Loan.

(v) All costs, fees and expenses incurred in making, closing, and recording the Mortgage Loan have been paid.

(vi) No term, covenant or condition of the note evidencing the Mortgage Loan and the mortgage securing the Mortgage Loan has been waived, altered or modified except as consented to in writing by the Agency.

(vii) The Mortgage Loan is not subject to any existing assignment or pledges; Participating Lender has good title thereto and full right and authority to assign and transfer the same and to endorse and deliver the Mortgage Note to the Agency, free and clear of all encumbrances. The assignment of mortgage or a certified true copy of the assignment of mortgage is required. MERS mortgages are not permitted.

(viii) The Mortgagor is not more than 15 days delinquent in the payment of any installments of principal, interest or other amount due under the terms of the Mortgage Loan.

(ix) The Mortgage Loan is covered by a valid and lawfully issued title insurance binder that will become a final policy of title insurance, the benefits of which run to the Agency, on the current standard ALTA title insurance form issued by a title insurer licensed to do business in the State in an amount equal to that of the original principal balance of the Mortgage Loan.

(x) All necessary documents have been executed and the Participating Lender has taken all steps to perfect the Agency's legal and record title to, and to protect the Agency's interest in, the Mortgage Loan delivered under the Agreement.

(xi) The lien of, or estate created by, the Mortgage Loan has not been satisfied, subordinated or impaired, in whole or in part except for payment of principal and interest to the purchase date. No part of any mortgaged property has been released therefrom, other than releases agreed to in writing by the Agency.

(xii) Immediately prior to the transfer and assignment of the Mortgage Note and related Mortgage, the Participating Lender has good title to and is the sole owner of such Mortgage Loan, and there is not now nor has there been any other sale or assignment thereof, except an assignment for security purposes with the Agency's consent in connection with a mortgage warehousing financing arrangement.

(xiii) The Mortgage Loan at the time it was made, conformed to applicable laws, regulations, administrative rules, executive orders and official guidance of the State, Federal government, and/or any other jurisdiction that regulate the issuance of Mortgage Loans in the State, including, without limitation, the Lender's ability to originate the financing; requirements of the Agency's funding sources upon assumption of the Mortgage Loans; and/or provide for consumer and/or investor protection in the advertisement, application, obtaining, and servicing of the Property financing.
~~The Mortgage Loan at the time it was made, conformed to all Applicable Laws.~~

1. Integrated Mortgage Disclosures under the Real Estate Settlement Procedures Act (Regulation X) and the Truth In Lending Act (Regulation Z)" (TILA-RESPA Final Rule) of 2012, effective in 2015, and amended 2016. The Act is so known as TILA-RESPA Integrated Disclosures ("TRID") and "Know Before You Owe" ("KBYO");
2. The Real Estate Settlement Procedures Act of 1974;
3. The Truth in Lending Act of 1968;
4. The Equal Credit Opportunity Act;
5. The Fair and Accurate Credit Transaction Act of 2003;
6. Title VII of the Civil Rights Act of 1968 (also known as the Fair Housing Act);

7. The Gramm-Leach-Bliley Act (P.L 106-102 (1999))
8. The Helping Families Save their Homes Act of 2009;
9. The National Flood Insurance Act of 1968;
10. The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (also known as The SAFE Act);
11. The USA PATRIOT Act;
12. The Dodd-Frank Wall Street Reform and Consumer Protection Act;
13. The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA);
14. Enabling legislation and regulations of the Participating Lender's Federal prudential regulator and the Federal Financial Institutions Examination Council (FFIEC), as applicable;
15. Section 143 of the Internal Revenue Code;
16. N.J.S.A. Title 17, Corporations and Institutions for Finance and Insurance and administrative rules promulgated thereunder, N.J.A.C. Title 3 (for State- licensed or –chartered lenders) and N.J.A.C. Title 11;
17. The New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq.
18. The New Jersey Consumer Fraud Law, N.J.S.A. 56:8-1 et seq.;
19. The New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq.;
20. N.J.S.A. 43:16A-16.9 through -16.16 (PFRS Mortgage Loan program);
21. N.J.S.A. Title 46, Property;
22. N.J.S.A. 19:44A-1 et seq.; and
23. N.J.S.A. Title 52 as relates to Agency contracting.

The Participating Lender has no knowledge of any circumstances or conditions with respect to the Mortgage Loan, the Mortgage, the Property, or the Mortgagor(s) or his/her credit standing that can be reasonably expected to cause prudent private investors in the secondary market to regard the Mortgage Loan as an unacceptable investment, cause the Mortgage Loan to become delinquent, or adversely affect the value or marketability of the Mortgage Loan.

c. **As of the Delivery Date**

(i) Each Assignment of Mortgage, Mortgage, financing statement and any other Trailing Document required to be registered, recorded or filed in a public office to perfect the mortgage lien against third parties has been duly and timely filed, registered or recorded in the proper public office in order to give constructive notice thereof to all subsequent purchasers or encumbrances.

(ii) The Participating Lender shall have performed and complied with all of the terms hereof required to be performed or complied with by it and the representations and warranties set forth in Chapter 2 hereof are true and correct as of the Delivery Date.

(iii) The Participating Lender has complied and the Mortgage Loan complies with all the terms, conditions and requirements of this Guide unless any such terms, conditions and requirements shall have been waived by the Agency in writing.

(iv) The Participating Lender shall submit the recorded documents, other Trailing Documents, and the related Mortgage Loan file prepared in accordance with the Guide and any relevant Term Sheet and guidelines and containing the documents and certificates specified therein within one hundred twenty (120) days of the Purchase Date. The Participating Lender shall also provide such other reports or information regarding the Mortgage Loans being sold by the Participating Lender as may be reasonably requested by the Agency, the Agency's Document Custodian or other such persons or entities as the Agency may designate.

(v) With respect to each Mortgage Loan purchased, the Participating Lender shall retain a complete copy of the Mortgage Loan file, containing the Mortgage Documents specified by the Agency, for at least six (6) years after the date the Mortgage Loan is Purchased, or such longer period as may be required by Law or regulation. The Agency shall have the right to request copies of Mortgage Loan files, or to audit such files at the offices of the Participating Lender.

d. ***Acceptance of Payment. By accepting payment for each Mortgage Loan on its respective Purchase Date, the Participating Lender shall be deemed to have represented and warranted that all such conditions of the Agreement and this Guide have been met (as to conditions precedent to purchase) or will have been met (as to conditions subsequent to the purchase) as of the respective benchmarks set forth above.***

10-8: REPURCHASE PROCESS

a. Refer to section 10 of the MPA under "Participating Lender Non-Compliance that May Lead to Repurchase" for additional Repurchase detail.

(i) NJHMFA has the right to demand that the Participating Lender Repurchase Mortgage Loans (and its servicing) for any failure to comply with the requirements of the NJHMFA Guide, GSE/Insurer guidelines and including, but not limited to, Representations and Warranties with respect to fraud, misrepresentation and compliance with all laws and regulations. NJHMFA also has the right to demand Repurchase if Ginnie Mae, Freddie Mac, or any investor requires the Agency to repurchase a Mortgage Loan.

(ii) If NJHMFA demands that the Participating Lender repurchase a Mortgage Loan, Participating Lender agrees to repurchase the loan for the repurchase price within the established five (5) business days listed in the Repurchase demand.

(iii) If NJHMFA determines a repurchase demand is necessary, the Participating Lender will receive notification of the demand via email from NJHMFA. If the Participating Lender has not fully remediated the deficiencies within the time and in the manner required by the Agency, the Participating Lender shall be required to immediately repurchase the loan.

(iv) Upon Participating Lender's satisfaction of the repurchase, NJHMFA will endorse the Note in blank and will deliver the Note and other required loan documentation to the Participating Lender.

(v) If an appeal or dispute is required, however, GSE/Insurer does not accept a repurchase appeal or dispute and does not rescind the repurchase demand, a repurchase demand will be forwarded to the Lender requiring Repurchase of the loan within five (5) business days of the demand receipt.

b. Repurchase Price

(i) The Repurchase price includes the following:

1. amount equal to the unpaid principal balance of the Mortgage Loan multiplied by the discount percentage paid by the Agency with an adjustment for accrued interest through the last day of the month at the time of Repurchase;
2. plus, the aggregate amount of any advances and interest thereon; plus, an amount equal to any attorney's fees, legal expenses, court costs or other expenses, including origination fee paid by the Agency as part of the purchase price, incurred by the Agency in connection with the Mortgage Loan and Repurchase thereof.
3. Where applicable, the Repurchase Price shall include all amounts due on any related Agency issued down payment assistance/closing cost subordinate Mortgage Loan.

Chapter 12

PARTICIPATING LENDER NON-COMPLIANCE: BREACH, REMEDIES AND REPURCHASE

12-1: PARTICIPATING LENDER NON-COMPLIANCE THAT MAY LEAD TO FEES

a. As set forth in Chapter 6, Rate Lock Policy and Pipeline Management, the Agency will assess fees on the Participating Lender for the late delivery of complete, properly stacked Mortgage Loan documents.

(i) ~~**Servicing Submissions:**~~**Purchase Submissions:**
Complete and timely purchase submission packages must be submitted as set forth on the applicable document checklist. Wiring instructions are to be included in the Purchase Package. Failure to meet delivery times may result in temporary suspension from the Lender Portal and the imposition of additional fees. Obtaining the necessary extensions and paying the fees therefor are the sole responsibility of the Lender~~Complete and timely loan packages including servicing set-up packages, must be submitted as set forth on the applicable document checklist. Wiring instructions are to be included in the Purchase Package. Failure to meet delivery times may result in temporary suspension from the ILRS and the imposition of additional fees.~~ ~~***Obtaining the necessary extensions and paying the fees therefor are the sole responsibility of the Participating Lender.***~~

(ii) ~~**Other Submission Documents:**~~**Trailing Document Submissions:**
All trailing documents are required within ninety (90) calendar days of the purchase date. If any trailing documents are not received and are aged more than one hundred twenty (120) calendar days, NJHMFA may, in its sole discretion, access the Lender $25 per document, per month, or in the alternative, the Lender may be required to repurchase the Mortgage Loan.
~~NJHMFA will charge an extension fee for the late delivery of closed loan packages. Failure to remit fees due may affect the Participating Lender's approval to participate in NJHMFA loan origination activities.~~

b. Unless otherwise expressly provided, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under the Mortgage Purchase Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under the Mortgage Purchase Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No action or inaction by the Agency shall constitute a waiver of any of the Agency's rights with respect to the transactions subject to the Mortgage Purchase Agreement.

c. Early Payment Default ("EPD") is defined as a first lien loan closed in the Lender's name and delinquency occurs when any of the first six (6) mortgage payments is sixty (60) calendar days or more delinquent.

d. EPD Default Requirements and fees:

(i) If any of the first six (6) payments becomes sixty (60) calendar days or more delinquent, the Agency, at its sole discretion, will require the Lender to repay the full premium amount of 2.75 points of the purchased Unpaid Principal Balance (UPB) plus a $2,000 EPD fee. All EPD loans may trigger a quality control review by the Agency's Audit Division which may lead to immediate repurchase by the Lender. Any loan that fails a GSE/Insurer EPD policy, will be subject to immediate repurchase, at the Agency's discretion, regardless of any quality control review on the loan.

Note: Police and Fire loans are subject to the $2,000 EPD fee only and repurchase as applicable.

(ii) Additional Early Delinquency Requirements Pre- and Post-Purchase:

In addition to the EPD policy, the Agency will be tracking all pre-purchase and post-purchase delinquencies. If any mortgage payment is due prior to purchase by the Agency or the first mortgage payment due to the Agency is delinquent where by the delinquency is greater than or equal to thirty (30) calendar days, the Lender shall be subject to a $2,000 first payment delinquency fee. In addition, the Lender shall be obligated to indemnify the Agency for two (2) years from all liabilities, obligations, losses, damages, penalties, fines, forfeitures, court costs, and reasonable attorneys' fees, judgments, suits, and any other cost or fees directly or indirectly resulting from delinquency of the loan. If the Lender does not accept the indemnification obligation requirement, immediate repurchase shall be required. If a loan has not been purchased by the Agency, the loan will not be purchased without the executed indemnification.

e. Early Payoff ("EPO") is applicable if a loan sold by the Lender to the Agency is paid in full within one hundred eighty (180) days (excluding the purchase date, but including the day of payoff) following the purchase by the Agency. The Lender shall be charged an early payoff fee in accordance with the following:

(i) The full premium amount of 2.75 points of the purchased UPB.

Note: An early payoff fee may not be passed on to the borrower and must be incurred by the Lender.
Note: An EPO fee is not applicable to Police and Fire loans.

12-2: PARTICIPATING LENDER NON-COMPLIANCE THAT MAY LEAD TO REPURCHASE

Mortgage Loan Non-Compliance – Failure or Inability to Cure:
The Agency may issue a Repurchase demand for any non-compliant Mortgage Loan for an amount equal to the then unpaid principal balance of such Mortgage Loan, plus accrued interest and costs incurred by NJHMFA, and any service release premium paid to the Participating Lender for the subject Mortgage Loan. If the Agency requires Repurchase on a Mortgage Loan provided to a particular Borrower, that Repurchase demand will also apply any Agency down payment and closing cost assistance subordinate Mortgage Loans issued to that Borrower. The bases for Repurchase include, but are not limited to:

a. NJHMFA reserves the right to have the Participating Lender Repurchase Mortgage Loans that have not been originated in compliance with Applicable Laws, the Mortgage Purchase Agreement, this Guide, and/or applicable Term Sheets, guidelines, rules and regulations, or for which required documentation has not been submitted to NJHMFA or its agent(s) within the required time frame. Repurchase of loans may be required based on non-compliance with Federal tax-exempt bond requirements, non-compliance with critical underwriting or closing requirements, and CFPB requirements. In addition, failure to provide critical documents including, but not limited to, those required for tax-exempt bond compliance, applicable mortgage insurance, guaranty certificate, and critical documents related to the security of the Mortgage Loan (e.g., Mortgage Note, Mortgage, or title policy) may also require Repurchase. Failure to obtain applicable mortgage insurance or guaranty and/or submit the MIC or guaranty evidencing such insurance or guaranty may result in the required Repurchase of the Mortgage Loan by the originating Participating Lender.

b. If the Participating Lender failed to comply with Applicable Laws as to a particular Mortgage Loan, the Agency will require Repurchase.

c. NJHMFA will require Repurchase of any Mortgage Loan for which any Borrower, and/or Co-Signor and/or any other party to the Mortgage Loan transaction has made, with the knowledge of the Participating Lender, any misrepresentation or misstatement of a material fact in any document related to the Mortgage Loan or any misrepresentation of a material fact by the Participating Lender.

d. NJHMFA will require Repurchase of any Mortgage Loan for which the Participating Lender amends, modifies, or incorrectly reproduces NJHMFA documents, or utilizes any document that does not comply with Applicable Law or the requirements of the applicable mortgage insurer/guarantor and NJHMFA, in its discretion, determines that such incorrect form affects the Mortgage Loan's legality, validity, security, or compliance with Applicable Laws.

d. A Repurchase demand will be made for any Mortgage Loan that, within 120 days or less from the Agency's purchase of the Mortgage Loan, becomes two or more months in arrears as to payment of principal and interest or otherwise goes in default, which after any required notice and any cure period, would give NJHMFA the right to foreclose.

f. If the Property is not free and clear of liens, encumbrances or claims by third parties, or otherwise lacks good title, and the Participating Lender fails to or cannot cure such deficiency, the Agency will require Repurchase.

If the liens of the Mortgage Loans are not valid first liens as to any purchase money or refinance Mortgage Loan and valid second lien as to any Agency down payment or closing cost subordinate Mortgage Loan, the Agency may require that the Participating Lender Repurchase the Loans if the Participating Lender does not or cannot timely cure such deficiency.

g. If any representation shall prove to be inaccurate when made by the Participating Lender or in the event of any breach of covenant or warranty by the Participating Lender, and/or the Participating Lender fails to deliver all required documents within the required time period established in this Guide, the Agency will require Repurchase of all Mortgage Loans affected by that inaccuracy, breach, and/or failure.

h. The Participating Lender fails to submit a complete Mortgage Loan file to the Agency, or if any material defect or inaccuracy cannot be cured to the satisfaction of the Agency within the sixty (60) day period, or such shorter period set forth in this Guide with respect to a particular defect or inaccuracy.

i. Ginnie Mae or any Investor requires the Agency to repurchase a Mortgage Loan.

j. Calculation of Amounts Due Through Repurchase Price and Procedure:

(i) The Participating Lender will Repurchase any Mortgage Loan within five business days of demand, in an amount equal to the unpaid principal balance of the Mortgage Loan multiplied by the discount percentage paid by the Agency with an adjustment for accrued interest at the time of repurchase, plus the aggregate amount of any advances and interest thereon, plus an amount equal to any attorney's fees, legal expenses, court costs or other expenses, including the fee paid by the Agency as part of the purchase price, incurred by the Agency in connection with such Mortgage Loan and the Repurchase thereof. The purchase price of any Mortgage Loan Repurchased pursuant to this Section will not include an origination fee.

(ii) The Repurchase price of the Mortgage Loan shall be remitted by the Participating Lender to the Agency, and the Agency shall assign and deliver the related Mortgage Documents to the Participating Lender, and execute and deliver such instruments of transfer or assignment, in each case without recourse, as shall be necessary to vest in Participating Lender such Mortgage Loan. **The Participating Lender hereby waives any statute of limitation or other Law that might otherwise be raised in defense to any Repurchase obligation hereunder.**

k. If the Participating Lender has been required to Repurchase a Mortgage Loan pursuant to this Section, the Participating Lender may reoffer that Mortgage Loan for sale to the Agency if all deficiencies causing the Repurchase have been cured.

l. Unless otherwise expressly provided, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under the Mortgage Purchase Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under the Mortgage Purchase Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No action or inaction by the Agency shall constitute a waiver of any of the Agency's rights with respect to the transactions subject to the Mortgage Purchase Agreement.

m. **Indemnification:** If Lender indemnifies a loan with a GSE or Insurer, they must immediately notify NJHMFA of the indemnification. Any indemnification may cause repurchase of a loan and reimbursement of the DPA.

12-3: PARTICIPATING LENDER NON-COMPLIANCE THAT CAN RESULT IN TERMINATION OF THIS AGREEMENT

a. NJHMFA has the right to terminate immediately upon electronic mail delivery of a written notice, the Participating Lender's authority to participate as a NJHMFA Participating Lender upon the happening of any of the following:

(i) The Participating Lender violates any provision of Applicable Laws, the Mortgage Purchase Agreement, this Guide, applicable Term Sheets and/or guidelines;

(ii) Any representation, covenant or warranty in the Mortgage Purchase Agreement made by the Participating Lender to the Agency fails to be true and accurate in all material respects;

(iii) The Participating Lender fails to comply in all respects with its obligation to meet and maintain the financial requirements required by the Agency;

(iv) Failure of the Participating Lender to duly observe or perform in any material respect any covenant, condition, or agreement under Applicable Laws or in the

Mortgage Purchase Agreement, this Guide, or any relevant Term Sheet or program guidelines.

(v) Failure of the Participating Lender to repurchase a Mortgage Loan or to correct defects or deficiencies with respect to Mortgage Loans in accordance with the Mortgage Purchase Agreement, this Guide, or any relevant Term Sheet or program guidelines.

(vi) Appointment of a conservator, receiver, or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceeding of a court, agency, or supervisory authority having jurisdiction over the Participating Lender, affecting the Participating Lender or substantially all of its assets, or for the winding-up or liquidation of its affairs.

(vii) Consent by the Participating Lender to the appointment of a conservator, receiver, or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities, or similar proceeding affecting the Participating Lender or substantially all of its assets.

(viii) Admission in writing by the Participating Lender of its inability to pay debts generally as they mature, or the filing of a petition to take advantage of any applicable bankruptcy or insolvency statute, or the making of an assignment for the benefit of creditors.

(ix) The Participating Lender is required to file a capital plan pursuant to the provisions of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended from time to time;

(x) The filing of an involuntary petition in bankruptcy against the Participating Lender;

(xi) NJHMFA receives notice of a planned sale or transfer of a majority ownership interest, merger, consolidation or change in legal structure of the Participating Lender, unless NJHMFA approves in writing the change;

(xii) The Participating Lender is not authorized to originate or sell Mortgage Loans.

(xiii) The Participating Lender's Federal prudential regulator, the New Jersey Department of Banking and Insurance or anybody thereof, HUD and/or the CFPB issue adverse findings and/or penalties against the Participating Lender or the Participating Lender enters into a settlement with such body to resolve pending investigation or proceeding, even if the Participating Lender does not admit fault or liability;

(xiv) The Participating Lender is suspended or debarred from doing business with the Agency, the State or the Federal Government;

)xv) The Participating Lender is not or has lost its qualification or endorsement to issue Fannie Mae, Freddie Mac, Ginnie Mae, FHA, VA, and/or USDA products;

(xvi) The Agency's quality control review routinely results in findings that the Participating Lender must correct;

(xvii) The Participating Lender is required to Repurchase more than six (6) Mortgage Loans within the term of the Mortgage Purchase Agreement; and/or

(xviii) Agency Staff determine that the Participating Lender has a significantly high fallout ratio that disrupts the Agency's ability to offer competitive pricing.

b. If any of the events specified in subsection A. occur, the Participating Lender will give written notice thereof to NJHMFA's Manager of Business Development within 48 hours after the happening of such event. Upon such notice pursuant to this Section, effective immediately, the rights of the Participating Lender and its rights to compensation hereunder shall terminate.

c. In the event of a termination pursuant to this Section, all Mortgage Loan files and all funds on deposit in connection with the Mortgage Loans shall be immediately transferred to the Agency or to such party as directed by the Agency, and a final accounting shall be made as to all funds received by the Participating Lender. Should the Participating Lender fail to immediately transfer the files or funds, the Agency may obtain access to the Participating Lender's premises or wherever the files or funds are located in order to take physical possession of same. All costs and expenses incurred by the Agency pursuant to this Section shall be paid or reimbursed by the Participating Lender, or set off by the Agency against any funds otherwise due to the Participating Lender pursuant to the Mortgage Purchase Agreement.

d. If the Agency determines that the Participating Lender has failed to perform under any provision of the Mortgage Purchase Agreement then the Agency, its authorized designee, Investor, Trustee, or document custodian, as the case may be, shall be reimbursed by the Participating Lender, on demand, for reasonable attorneys' fees and other out-of-pocket costs and expenses, including all costs of litigation, if necessary, to enforce the Agency's rights.

e. The Agency, its authorized designee, document custodian or any Trustee and/or Investor, will not be liable in any respect for the termination of the Participating Lender pursuant to this Section.

f. NJHMFA may also terminate the Participating Lender's authority to participate as a NJHMFA Participating Lender, with or without cause, upon thirty days written notice to the Participating Lender.

g. If the Participating Lender fails to follow the procedures set forth in the Mortgage Purchase Agreement and in this Guide in any material respect, the Agency may at any time terminate the Mortgage Purchase Agreement without refunding to the Participating Lender any portion of the commitment fee. In such event, the Participating Lender shall promptly deliver to the Agency the loan file for each applicant for a Mortgage Loan, as well as the reservation fees, if any, paid by each applicant.

h. Unless otherwise expressly provided, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under the Mortgage Purchase Agreement or existing at law or in equity. No delay or omission to exercise any right or power accruing under the Mortgage Purchase Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No action or inaction by the Agency shall constitute a waiver of any of the Agency rights with respect to the transactions subject to the Mortgage Purchase Agreement.

12-4: ADDITIONAL AGENCY REMEDIES.

In addition to the remedies set forth above with respect to particular instances of Participating Lender non-compliance, the Agency reserves the right to seek the following remedies as the Agency deems appropriate under the circumstances.

a. The Participating Lender shall be liable to the Agency for any damages, including, without limitation, costs and attorney's fees, suffered by the Agency by reason of the inaccuracy of any representation made or the breach of any covenant or warranty made by the Participating Lender in connection with the transactions contemplated under the Mortgage Purchase Agreement.

b. The Participating Lender agrees to indemnify and hold the Agency and any of its designees, trustees, and/or Investors harmless from any and all claims, demands, losses, costs, curtailments, penalties, damages, and expenses (including reasonable attorney’s or accounting fees) that they may incur with respect to the origination of Mortgage Loans by the Participating Lender pursuant to the Mortgage Purchase Agreement, including, but not limited to, the Participating Lender’s noncompliance with Applicable Laws, the Mortgage Purchase Agreement, this Guide, or any applicable Term Sheet or program guidelines; defective Mortgage Loan submissions; delivery of files, recording and/or delivery of Mortgage Documents; transfer of all escrows or other funds due and owing the Agency; or noncompliance with any Laws, regulations or directives pertaining to the origination of Mortgage Loans, consumer protection, discriminatory practices, or criminal activity.

c. Seek that the Participating Lender be suspended from contracting with the Agency.

d. Debar the Participating Lender from contracting with the Agency.

e. Unless otherwise expressly provided, no remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under the Mortgage Purchase Agreement (MPA) or existing at law or in equity. No delay or omission to exercise any right or power accruing under the Mortgage Purchase Agreement shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. No action or inaction by the Agency shall constitute a waiver of any of the Agency's rights with respect to the transactions subject to the MPA.

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A DECLARATION OF INTENT FOR THE PROJECT KNOWN AS ALFRED CRAMER, HMFA #07879

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

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Laura Shea
Assistant Secretary

Alfred Cramer **May 1, 2025**
Camden, Camden County
HMFA #07987
Developer: Michaels Development Company I, LP
# of Units: 73
Population: Family

REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a "Declaration of Intent" stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $22,972,000 in construction and permanent financing for a project known as Alfred Cramer, HMFA #07987 (the "Project"). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the "Original Expenditures") associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the "Reimbursement Regulations") promulgated under the Internal Revenue Code of 1986, as amended (the "Code").

1. The Project will be a qualified residential rental project within the meaning of Code Sections 142(a)(7) and 142(d) and related Treasury Regulations. A brief, general description of the Project is set forth below.

2. The Original Expenditures to be reimbursed with the proceeds of the Bonds will be "capital expenditures" as defined in Treas. Reg. Section 1.150-1(b), costs of issuance for the Bonds, and/or expenditures described in Treas. Reg. Section 1.148-6(d)(3)(ii)(B) (relating to certain extraordinary working capital items).

3. Pursuant to the Reimbursement Regulations, with respect to each Original Expenditure to be reimbursed with proceeds of the Bonds, either (i) the date of the declaration of official intent is not later than 60 days after the payment of the Original Expenditure, or (ii) if the date of the declaration of official intent is more than 60 days after the payment of the Original Expenditure, the Original Expenditure must be a preliminary, pre-construction expenditure as described in Treas. Reg. Section 1.150-2(f)(2) and the total amount of such preliminary expenditures to be reimbursed with proceeds of the Bonds cannot exceed 20% of the proceeds of the Bonds.

4. This Request for Action expresses the Board's declaration of intent only. It does not authorize the Agency to issue the Bonds, which issuance may only be authorized by subsequent action adopted in accordance with law. The ability of the Project to conform to the Agency's Multifamily Underwriting Guidelines and Financing Policy (the "Guidelines"), as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this Project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this Project any preference over any other project.

5. The following is a brief, general description of the Project based on current expectations regarding the Project:

The Project

The Project is located at N. 25th Street & Harrison Avenue, Camden, Camden County, on Block 814; Lot 2 and N. 17th Street & E. State Street & Pierce Avenue, Camden, Camden County, on Block 818; Lots 14,16,17,30,31,48,49,51,53,57 and 59. There will be a total of eight (8) three-story low-rise buildings with a gross square footage of 87,176 square feet. There are eighty-one (81) planned parking spaces representing roughly 1.11 parking spaces per dwelling unit.

The Project is new construction and will be comprised of seventy-three (73) total units with thirty (30) two-bedroom units and forty-three (43) three-bedroom units. The Project will include twenty-nine (29) units for replacement from Ablett Village Community, which is a US HUD Choice Neighborhood Transformation plan. The Housing Authority of the City of Camden ("HACC") is leading the relocation effort and funding it in full. HACC received a Choice Neighborhoods Implementation Grant on May 25, 2021 in the amount of $35 million. HACC will provide staff for relocation, mobility, and counseling services. HACC will offer different types of relocation to residents, which includes being moved to another on-site Ablett Village unit in building 15 through 23, if available, comparable HACC unit elsewhere in Camden, a Tenant Protection (Section 8) Voucher for a privately-owned unit if the resident meets the eligibility requirements, or a new unit in the Ablett Village redeveloped phase, if available. Residents will be offered replacement units as they become available.

The Project will include twenty-two (22) two-bedroom units and sixteen (16) three-bedroom units which will be affordable units available to households with an income of 57.5% AMI. The net rent for the twenty-two (22) two-bedroom units will be $1,391. The net rent for the sixteen (16) three-bedroom units will be $1,600. Two (2) two-bedroom units and four (4) three-bedroom units will be market rate with net rents of $1,500 for the two-bedroom units and $2,100 for the three-bedroom units. The Project has received a Rental Assistance Demonstration ("RAD") Housing Assistance Payments Contract ("CHAP") award for twenty-nine (29) units for 20 years. The twenty-nine (29) units will include six (6) two-bedroom units with a net rent of $1,280 and twenty-three (23) three-bedroom units with a net rent of $1,592. The average floor area of the two-bedroom units is 1,050 and 1,056 square feet, and the three-bedroom units average is 1,250 and 1,550 square feet.

The Project will use gas heat and hot water, which will be individually metered and paid by the tenant. The Project will also use electric cooking and air conditioning, which will be individually metered and paid by the tenant. Water and Sewer will be master metered and paid by the Project.

Amenities throughout the community that are within close proximity to the sites include The Mastery Schools of Camden, Cramer Hill Elementary, the new state of the art Salvation Army Kroc Center, and the 60-acre Cramer Hill Waterfront Park. The sites also provide easy commuter access via Route 676, Route 30 and Route 130. These highways will provide access to the Ben Franklin and Betsy Ross Bridges.

Michaels Management Affordable will be managing the Project.

The Project is seeking 4% Low-Income Housing Tax Credits. For tax credit purposes, the Sponsor has elected 40% at 60% average median income ("AMI").

Agency Financing

The Agency will provide construction and permanent loan financing in the estimated amount of $19,143,018. This loan will be evidenced by two mortgage notes. Both notes will be secured by a first mortgage lien on the property. Note I is anticipated to be in the amount of $8,285,000, at an estimated annual interest rate of 5.95%, for an estimated term of 32 years. In order to meet the 55% aggregate basis test, as required by the Agency's underwriting guidelines, Note II must be funded through bond proceeds in an amount anticipated to be $10,858,018, at an estimated interest rate of 4.35%, with a maturity date of 22 months from the date of loan closing. Note II will be additionally secured by an assignment of syndication proceeds and Urban Preservation Program ("UPP") funding.

The Agency will provide construction and permanent loan financing from the Urban Preservation Program ("UPP"). The loan is currently estimated to be $10,000,000 at an estimated 0% interest rate during construction and an estimated 1% interest rate at permanent rollover for an estimated term of thirty-two years. The loan will be repaid from 25% of the Project's cash flow remaining after the payment of operating expenses, required reserves and amortized mortgage debt and at the earlier of ten years or the repayment of deferred developer's fee. The loan will be secured by a subordinate mortgage lien on the property.

DOI Conditions:

1. The Agency authorizes its staff to require an additional credit enhancement obligation based on Agency staff's assessment of the associated risk involved in providing a mortgage for construction only financing.

2. The Agency authorizes its staff at its sole discretion to dictate the Construction Draw Schedule of Agency financing based on (1) pro rata apportionment of funds, (2) pari passu distribution or (3) the Agency financing being the last funding source disbursed during the construction period.

3. The Borrower has not justified to the Agency's satisfaction the reasonableness of the total development costs. Therefore, the Agency reserves the right to require that the Borrower provide a quantitative analysis and justification of the costs or the Agency will commission an independent analysis to confirm the cost, with the Sponsor paying for that analysis.

4. The borrower must conclusively demonstrate that this project is permitted to receive an allocation of LIHTC in accordance with Section 19 of P.L. 2008, c. 46, N.J.S.A. 52:27D-321.1 (A500 ACS) and is subject to an Inclusionary review, feasibility analysis and determination of LIHTC eligibility prior to the project proceeding to a mortgage commitment.

5. Further HMFA approval is subject to the receipt of a firm commitment from the U.S. Department of Housing and Urban Development for the HUD Choice Neighborhoods Implementation Grant. The project will not advance to commitment should the allocation of the Cramer Hill HUD Choice Neighborhood Implementation Grant be rescinded.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$2,594,000	($35,534/DU)	($30/SF)
Construction Costs (Including Contractor Fee)	$21,809,725	($298,763/DU)	($250/SF)
Contingencies	$1,239,489	($16,979/DU)	($14/SF)
Developer Fee	$4,318,278	($59,154/DU)	($50/SF)
Professional Fees	$2,037,860	($27,916/DU)	($23/SF)
Carrying Financing Costs	$3,313,995	($45,397/DU)	($38/SF)
Other Charges	$1,174,399	($16,088/DU)	($13/SF)

TOTAL DEVELOPMENT COST	$36,487,746	($499,832/DU)	($419/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage, Note I	$8,285,000	($113,493/DU)
HMFA Note II plus interest	$11,094,180	($151,975/DU)
NJHMFA UPP	$8,363,273	($114,565/DU)
Housing Authority of the City of Camden	$2,286,397	($31,321/DU)
LIHTC Equity ($0.91)	$4,443,698	($60,873/DU)
Berkadia Affordable Tax Credit Solutions		
Deferred Developer Fee	$2,015,198	($27,605/DU)
TOTAL PROPOSED PERMANENT SOURCES	$36,487,746	($499,832/DU)

REPAYMENT OF HMFA NOTE II PLUS INTEREST (And/or any Construction Bridge Loan).

HMFA Note II	$10,858,018	($148,740/DU)
Note II Interest	$236,162	($3,235/DU)
TOTAL HMFA Note II	$11,094,180	($151,975/DU)

LESS PROPOSED SOURCES

LIHTC Installment #3	$9,457,453
NJHMFA UPP	$1,636,727
TOTAL SOURCES PROPOSED	$11,094,180

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

MULTI-FAMILY - with or without TAX CREDITS

SCHEDULE 10-A: PROJECT DESCRIPTION CONSTRUCTION (ONLY) AND CONSTRUCTION& PERMANENT LOANS

		Date Action Taken
x	Inducement	5/1/25
	Commitment	
	Re-Commitment	
	Mtg. Extension	
	Bond Sale	
	Closing	

Indicate Closing Type By Date

Special Needs:
Other:
Other:

HMFA#: **07987**
Date: 4/15/25
Prepared by: **Michael Elia**
Reviewed by:

Alfred Cramer
Project Name

Project Street Address	City	State	Zip Code
reet & E. State Street & Pierce Ave ; N. 25th Street & Ha	Camden	NJ	08105

Municipality: Camden City (69)
County: Camden (7)

List Block followed by corresponding Lot and separated by a comma
Note # Only one Block and one lot per cell **Example:**

818, 14	818, 16	818, 17	818, 30
818, 48	818, 49	818, 51	818, 53
818, 59	814, 2		

Type of Development
(Select either Family or Senior Citizens (NOT BOTH))

Family	x
Senior Citizens	
Provide the following:	
Legislative District:	District 5 (5)
Congressional District:	District 1 (1)
Census Tract:	6009.00
No. of dwelling units	73
No. of occupied units	
Special Needs Units	
Special Needs Population	
Construction Term	16 (mos.)
Rent-up Period	6 (mos.)

Type of Construction

New Construction	x
Modular	
Moderate Rehabilitation	
Substantial Rehab.	
Conversion	
Rehabilitation/Occupied	
Historic	

Term of Mortgage (in years): 32.00
Mortgage Interest Rate: Note I 5.950%
Note II 4.350%

The Project is in a:	**Y or N**
QCT	Y
Smart Growth	
Planning Area:	Metropolitan
	(designate area)

Parking

Total Number of Parking Spaces: 81
Ratio of parking to D.U.'s: 1.11 : 1

Type of Loan

Construction Loan Only	
Construction & Permanent Loan	x
Permanent Loan Only	

Type of Financing

Tax Exempt	x
Taxable	

Tax Credits	**Check One**
4%	x
9%	
Historic	

Affordability - Check One	
**** 40% AT 60%**	x
***** 20% AT 50%**	
Income Averaging	

ENTER DOLLAR AMOUNT

Type of Subsidy

Special Needs Program Funds	$
AHGSP	$
Amount of AHGSP/Unit:	
Money Follows the Person	$
Fire Supression	$
FRM-CDBG	$
Amt. Of FRM-CDBG/Unit:	$
Other	$

Cost Summary

Cost of Land and/or Improvements	$35,534 per DU	$28 per Sqft.
Construction Cost	$298,763 per DU	$235 per Sqft.
Total Project Cost	$499,832 per DU	$393 per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Average Unit Size in Sq. Ft.	No. of Units	= Net Rentable Area
Site A:						
Low Rise	5	3	2	1,056	12	12,675
			3	1,550	25	38,750
Site C:						
Low Rise	3	3	2	1,050	18	18,900
			3	1,250	18	22,500
Basement/Crawl Space						
****Garage Parking						
Commercial Space						
Common/Other Space						

Total Project Cost	$36,487,746
Minus Eligible Costs:	
Reserves	$549,853
Deferred Developer Fee	$2,015,198
Non Basis Off Site Improvements	
=	$33,922,695
Cost Per DU	$464,694

Totals: 8 Buildings UNITS: 73 92,825 Sq. Ft.

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.
****Includes only parking beneath the building and/or parking structure

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

HMFA# 07987

x	Inducement	Prepared by:	Michael Elia
	Commitment	Reviewed by:	
	Re-Commitment		**Director of Technical Services**
	Bond Sale		
	Closing		**Director of Multifamily**
			Managing Director of Multifamily
			Chief of Multifamily

Date

Date

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Enter total Amt. of Grant/Loan Here	Notes/Memo		
a) HMFA 1st. Mortgage, NOTE I	N/A		$	8,285,000
b) HMFA 1st. Mortgage, NOTE II			$	10,858,018
c) Additional Funding (194)		Housing Authority City of Camden	$	2,286,397
d) Urban Preservation Program (215)		10,000,000	$	8,363,273
e) LIHTC Equity (170)	$13,901,151	e Tax Credit Solutions Install 1 @ closing	$	2,780,230
f) LIHTC Equity (170)	Berkadia Affordable Tax Credit Solutions	Install 2 (July 1, 202(	$	966,756
g)			$	
h) Deferred Developer's Fee			$	2,323,525
TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			$	35,863,200

2. USES of FUNDS DURING CONSTRUCTION:

			% of Cons't Cost OR Cost/Unit	
A. ACQUISITION COSTS:				
a) Land	@ ($ per Acre)	$ 2,594,000		
b) Building Acquisition	Should be between $15,000 & $25,000 per units			
c) Relocation				
d) Other:	Total Acquisition as a percent of Total Project Costs: 7.11%			2,594,000
B. CONSTRUCTION COSTS				
a) Demolition	NOTE: Payment and Performance bonds are required through the const	$		
b) Off-site Improvements	and for a two-year period after the Certificate of Occupancy.			
c) Residential Structures (including all on-site improvement)		18,616,227		
d) Community Building				
e) Environmental Clearances				
f) Surety & Bonding	should be between .75% and 2% of Construction Costs	212,225	0.97%	
g) Building Permits		375,000		
h) Garage Parking	garage should be approx $15,000/space; parking lot around $700/space			
i) General Requirments	should be about 6% of construction costs	1,116,974	5.82%	
j) Contractor Overhead & Profit	- should not exceed 8% of cons't costs total - usually 2% for Overhead and 6% for Profit	1,489,299	7.76%	
k) Other				
l) Other	Total Cons't Costs as a percent of Total Project Costs: 62.76%			21,809,725
C. DEVELOPERS FEE - CONSTR/REHAB	15.00% HMFA Policy is that the Developer fee is earned as a percentage of construction completion.	4,318,278		
DEVELOPERS FEE - BUILDING	Non-Deferred Amt: $2,303,080 8.00%			4,318,278
D. CONTINGENCY	Non-Deferred Amt on Building Acq Not to Exceeed 2% :			
a) Hard Costs	5.000% 5% for New Construction & 10% for Rehabilitation	1,090,486		
b) Soft Costs	2.596% should be a Maximum of 5%	149,003		1,239,489
E. PROFESSIONAL SERVICES				
a) Appraisal & Market Study		$ 25,000		
b) Architect	HMFA CONS'T & PERM. BLENDED RATE	702,000		
c) Site Engineer	Construction Interest Rate Calculation	470,000		
d) Attorney	Note I Weighted: 492,958	591,000		
e) Cost Certification/Audit - should not exceed $35,000	Note II Weighted: 472,324	30,000		
f) Environmental Consultant	TOTAL: 965,281	5,000		
g) Historical Consultant	Cons't. Int. Rate: 5.0425%			
h) Geotechnical Consultant		135,000		
i) Green Consultant		29,860		
j) Professional Planner:				
k) Surveyor		50,000		
l) Other	Total Professional fees as a % of Total Project Costs: 5.59%			2,037,860
F. PRE-OPERATIONAL EXPENSES *	* Non-eligible costs in TC basis			
a) Operator fees (pre-construction completion) *	Should Not Exceed $250.00	$		
b) Advertising and Promotion (pre-construction completion)*				
c) Staffing and Start-up Supplies (pre-construction completion)*				
d) Other: *				
e) Other: *	Total Pre Opt Costs as a % of Total Project Costs:			
G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION	(percentage of total development costs)		9.08%	
a) Interest @	5.0425 % for (16 mos.) on $ 19,143,018	1,287,054		
b) R.E. Tax $	18,750 (per annum) x 1.33 Yrs.	25,000		
c) Insurance $	236,691 (per annum) x 1.33 Yrs.	315,588		
d) Title Insurance and Recording Expenses		125,000		
e) Points To Reduce HMFA Servicing Fee[Cons't. & Perm. Only]	2% on $ 8,285,000	165,700		
f) HMFA Second Note Financing Fee[Cons't & Perm Only]	2% on $ 10,858,018	217,160		
g) HMFA Constr.Loan Serv.Fee	0.50 % for (22 mos.) on 19,143,018	175,478		
h) Special Needs Financing Fee	3.00% on $			
i) Other Lender Construction Financing Fee				
j) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the	152,289		
k) Negative Arbitrage (if Bonds are sold during Construction)	time the Development is under construciton, these costs	382,860	(ESTIMATE)	
l) Cost of Issuance (If Bonds are sold during Construction)	should be accounted for during the construction period.		(ESTIMATE)	
m) Furniture, Fixtures & Equiptment (F,F&E)		42,866		
n) Utility Connection Fees	Total Carrying/Fin. Costs as % of Total Project Costs: 9.08%	425,000		3,313,995
H. Working Capital Escrow				
a) Debt Service & Operating Expenses				443,486
b) Rental Agent Rent-up Fee (during Rent-up)				
c) Advertising and Promotion (during Rent-up)				
I. Other Escrows				
a) Insurance (1/2 YR.)			$	40,150
b) Taxes (1 Qtr.)			$	15,144
c) Debt Service Payment & Servicing Fee for 1 Month			$	51,072
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months			$	
e) Repair & Replacement Reserves			$	
f) HMFA Operating Deficit Reserve			$	
g) Other:			$	
h) Other:	Total Escrows as a % of Total Project Costs: 1.51%		$	

3. USES OF FUNDS DURING CONSTRUCTION: $ **35,863,200**

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage): $ (0)

5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT:

		Notes/Memo		
a)	LIHTC Equity (170)	Install 3 (September 1, 2027) - $9,693,548	$	236,095
b)	LIHTC Equity (170)	Install 4 (March 1, 2028) or 8609	$	460,616
c)			$	
d)			$	
e)			$	
f)			$	
	TOTAL SOURCES FOR PERMANENT CLOSE-OUT:		$	696,711

6. USES of FUNDS FOR PERMANENT Close-out:

A. DEVELOPER'S FEE:			$	308,327
B. CONSTRUCTION LOAN PAYOFF			$	
C. Negative Arbitrage ^	**(ESTIMATE)**		$	
D. Cost of Issuance ^	**(ESTIMATE)**	**^ Non-eligible costs in TC basis**	$	
E. Tax Credit Fees			$	152,289
F. Other:	Investor Operating Reserve (Funded by Installment #3)		$	236,095
7. TOTAL of NUMBER 6 A-F ABOVE:		**Total Costs at Perm. Closeout as % of Total Project Costs: 1.06%**	$	**696,711**
8. BALANCE NEEDED TO CLOSE (overage / shortage):			$	
9. TOTAL PROJECT COSTS			$	**36,487,746**
10. MAXIMUM MORTGAGE LOAN		22.71 % of Item 10	$	8,285,000

11. 55% of Basis Test:

Aggregate Basis:	$	**34,805,487**
55% of Basis (estimated):		**19,143,018**
Less 1st Mtg., 1st Note:		8,285,000
Equals 1st. Mtg., 2nd Note Needed:		**10,858,018**

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE)

						List Source
		Principal	$ 10,858,018		$ 9,457,453	LIHTC Equity (170)
Interest @ 4.35%	(6) mos.		$ 236,162		$ 1,636,727	Urban Preservation Program (215)
		Total	$ 11,094,180		$	
				Total	$ 11,094,180	
					$ 0	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________________ By: ______________________________

(Developer or Authorized Signatory) NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity:	Alfred Cramer Urban Renewal, LLC	HMFA#	07987		
Dev. Name:	Alfred Cramer	Prepared by:	Michael Elia		04/15/25
		Reviewed by:			
			(Director of Asset Management)		Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	6,900
Telephone	2,400
Dues & Sub.	
Postage	200
Insp. & Other Fees	
Advertising	1,350
Legal Services	6,190
Auditing (Year End)	18,925
Soc. Serv. Suppl.	
Misc. Adm. Expenses	8,811
Bookkeeping/Accounting	
and/or Computer Charges	7,087
Other:	
TOTAL $	51,863

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent		
Janitorial		
Grounds & Landscaping		
Security		
Social Services	1.00	5,000
Site Office & Admin	1.00	65,000
Maintenance	1.00	60,000
Other Salaries:		
Empl. Benefits		19,500
Empl. Payroll Taxes		13,000
Worker's Comp.		3,750
Other:		
TOTAL $	3.00	166,250

III. MAINTENANCE AND REPAIRS

Masonary	
Carpentry	1,000
Plumbing	2,000
Electrical	2,000
Kitchen Equipment	4,000
Elevator	
Windows & Glass	1,000
Vehicles & Equip.	
Snow Removal	11,600
Grounds & Landscaping	3,900
Paint & Dec. Supl.	
Small Equip. & Tools	480
Janit. Sup. & Tools	1,500
HVAC Supplies	2,000
Misc. Maint. Suppl.	4,000
Other:	713
TOTAL $	34,193

IV. MAINTENANCE CONTRACTS

Security	540
Elevator	
Rubbish Removal	4,800
Heating & AC Maint.	
Grounds, Parking & Landscaping	
Exterminating	5,475
Cyclical Apt. Painting	8,517
Other:	1,460
TOTAL $	20,792

V. UTILITY EXPENSE

Water Charges	29,000
Sewer Charges	29,000
Electricity	5,100
Gas	1,000
Fuel	
Less Solar Energy Savings	
TOTAL $	64,100

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	$	1,342,776		
Less Vacancy	(-)	67,139		
Less Utilities (if applicable)	(-)	64,100		
Gross Sheltered Rents	$	1,211,537		
x Rate	x	5.00 %		ACTUAL TAXES
Real Estate Taxes	$	60,577	OR	IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	8,285,000	HMFA #	07987
Mortgage Interest Rate	5.95 %	Prepared by:	Michael Elia — 04/15/25
Term (years)	32 Yrs.	Reviewed by:	
Amortization (Y,S,M)	m		Date
FMR Area	Camden (7)		

The Interest rate has been reduced by: ______ **basis points as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.**

Date of Income Limits Chart Used: 4/1/24
Date of Utility Chart Used: MaGrann Utility Analysis

ANTICIPATED GROSS RENTS

	No. of Bedrooms	No. of Units	% AMI	Gross Rent	Subsidy Type, if applicable	Subsidy Amount	Allowance for Tenant Paid Utilities***	Net Rent	Monthly
	2	22	57.5% AMI	1,484			93	1,391	30,602
	3	16	57.5% AMI	1,714			114	1,600	25,600
	2	2	Market	1,500				1,500	3,000
	3	4	Market	2,100				2,100	8,400
	2	6	RAD/CHAP	1,373			93	1,280	7,680
	3	14	RAD/CHAP	1,706			114	1,592	22,288
	3	9	RAD/CHAP	1,706			114	1,592	14,328
Super's Apt.*									
	TOTALS	73				**Monthly Rents:**	111,898		

Anticipated Annual Rents: 1,342,776

* Indicate on a separate line which apartment is for the Superintendent. If it's rent-free, put $0 in the Rent column.

** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income. **NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.**
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom

*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:		(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	x	Heat	Gas	Individual	Y
Refrigerator	x	Hot Water	Gas	Individual	Y
Air Conditioning	x	Cooking	Electric	Individual	Y
Laundry Facilities	x	Air Conditioning	Electric	Individual	Y
Disposal		Household Electric		Individual	Y
Dishwasher	x	Water		Master	N
Carpet	x	Sewer		Master	N
Drapes		Parking			
Swimming Pool		Other:			
Tennis Court		Other:			
Other: Blinds	x				

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart		**Utility Company Estimates**	x
HUD Utility Schedule Model		**Energy Consumption Model**	

COMMERCIAL SPACE
(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: Alfred Cramer Urban Renewal, LLC — HMFA# 07987
Prepared by: Michael Elia — 04/15/25
Dev. Name: Alfred Cramer — Reviewed by: ______ Date
(Director of Asset Management - Expenses Only)

RENTAL INCOME

Apartment Rents			$ 1,342,776
Vacancy Loss	(5.00 %)	-	67,139
NET APT. RENTS			1,275,637
Commercial Income		per Sq. Ft.	$
Garage & Parking		per Sq. Ft.	
Commercial Vacancy		%	
NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME			$ 1,275,637

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

OTHER INCOME				
Laundry Machines		$		
Other:				
TOTAL OTHER INCOME		$		
TOTAL REVENUE				$ **1,275,637**
EXPENSES				
Administrative	(Schedule I)	$ 51,863		
Salaries	(Schedule II)	166,250		
Maint. & Repairs	(Schedule III)	34,193		
Maint. Contracts	(Schedule IV)	20,792		
Utilities	(Schedule V)	64,100		
Management Fee	68.00 per unit	59,568	* Should be between $57 & $73 per unit per month	
P.I.L.O.T. on Commercial Income(	%)			
Real Estate Taxes	(Schedule VI)	60,577		
Insurance	$1,100 per Unit	80,300	**2-Story & below - $500; 3-Story & above - $550**	
Reserve for Repair and Replacement	440.00 per unit	32,120		
TOTAL EXPENSES				$ **569,762**
NET OPERATING INCOME				$ **705,875**
DEBT SERVICE				
1. Principal and Interest		$ 579,728		
2. Mortg & Bond Serv Fee	0.40 %	33,140		
3. MIP	%			
4. Debt Service on Other Mortgage Loans	$	$		
AGENCY DEBT SERVICE		$ 612,868		
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$		
TOTAL DEBT SERVICE				$ 612,868
NET INCOME				$ **93,007**
Less Return on Equity	(% on $	)	- $	
Project Profit/(Loss)				$ **93,007**

DEBT SERVICE RATIO CALCULATION :

$$DSR = \frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}} = \mathbf{1.15176}$$

New Mortgage Amount

8,285,000

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT:	Alfred Cramer
HMFA #:	07987
LOAN OFFICER:	Michael Elia
DATE:	4/15/25

Annual % of Rent Increase:	3.00%	
Annual Expense Increase:	4%	
Vacancy:	5.00	$67,139
Commercial Rent Increase:		
Commercial Vacancy:	0.00 %	

Permanent Mortgage (1st Note)		8,285,000
Interest Rate:		5.95
Term:		32
Annual Payment:		579,728
Servicing Fee:	0.400	33,140
MIP:	0.000	0

2nd Note/Mortgage (Amortizing)	
Interest Rate:	0.000000
Term in Years:	0
Annual Payment:	$0.00
Servicing Fee:	$0
	$0

FRM-CDBG	0
Interest Rate Annually:	
First Years Balance:	0

DEVELOPMENT:	Alfred Cramer
HMFA #:	07987
LOAN OFFICER:	Michael Elia
DATE:	4/15/25

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
2	22	950-1065	1,484	0	93	1,391	30,602	367,224
3	16	1242-1552	1,714	0	114	1,600	25,600	307,200
2	2	960-1056	1,500	0	0	1,500	3,000	36,000
3	4	1232-1500	2,100	0	0	2,100	8,400	100,800
2	6	950-1056	1,373	0	93	1,280	7,680	92,160
3	14	1232-1449	1,706	0	114	1,592	22,288	267,456
3	9	1476-1500	1,706	0	114	1,592	14,328	171,936
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0		0	0	0	0	0	0
0	0		0	0	0	0	0	0
Total	73							1,342,776

PILOT Calculation	Year 1	
Rental Income		
Gross Rental Income	1,342,776	
Less: Vacancy	-67,139	
Net Rental Income	1,275,637	
Less: Owner-pd Utilities	-64,100	
Basis for PILOT Calc.	1,211,537	
PILOT Rate	5.00	
PILOT Payment Estimate	$60,577	
Commercial:		Square Ft.
Gross Commercial Income	0	0
Less: Vacancy	(0.00)	
Net Commercial Income	0	
PILOT Rate	0.00%	
PILOT Payment Estimate	0	

Commercial $/sq. ft.
$0

PROJECTIONS	%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
RENTAL INCOME												
Apartment Rents		1,342,776	1,383,059	1,424,551	1,467,288	1,511,306	1,556,645	1,603,345	1,651,445	1,700,988	1,752,018	1,804,579
Less Vacancy Loss	5 %	-67,139	-69,153	-71,228	-73,364	-75,565	-77,832	-80,167	-82,572	-85,049	-87,601	-90,229
NET APT. RENTS		1,275,637	1,313,906	1,353,324	1,393,923	1,435,741	1,478,813	1,523,178	1,568,873	1,615,939	1,664,417	1,714,350
Commercial Income	$0	0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0.00	0	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS		0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:		**1,275,637**	**1,313,906**	**1,353,324**	**1,393,923**	**1,435,741**	**1,478,813**	**1,523,178**	**1,568,873**	**1,615,939**	**1,664,417**	**1,714,350**
OTHER INCOME												
Laundry Machines	$0	0	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME		0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE		1,275,637	1,313,906	1,353,324	1,393,923	1,435,741	1,478,813	1,523,178	1,568,873	1,615,939	1,664,417	1,714,350
OPERATING EXPENSES	Yearly Per Unit Cost											
Administrative	$710	51,863	53,937	56,095	58,339	60,672	63,099	65,623	68,248	70,978	73,817	76,770
Salaries and Benefits	$2,277	166,250	172,900	179,816	187,009	194,489	202,269	210,359	218,774	227,525	236,626	246,091
Maintenance & Repairs	$468	34,193	35,561	36,983	38,462	40,001	41,601	43,265	44,996	46,795	48,667	50,614
Maintenance Contracts	$285	20,792	21,623	22,488	23,388	24,323	25,296	26,308	27,360	28,455	29,593	30,777
Utilities	$878	64,100	66,664	69,331	72,104	74,988	77,987	81,107	84,351	87,725	91,234	94,884
Management Fee 68.00	$59,568	59,568	61,355	63,196	65,092	67,044	69,056	71,127	73,261	75,459	77,723	80,054
PILOT on Housing 5.00	$830	60,577	62,362	64,200	66,091	68,038	70,041	72,104	74,226	76,411	78,659	80,973
Insurance	$1,100	80,300	83,512	86,852	90,327	93,940	97,697	101,605	105,669	109,896	114,292	118,864
Replacement Reserves	$440	$32,120	32,120	32,120	32,120	32,120	32,120	32,120	32,120	32,120	32,120	32,120
PILOT on Comm.	$0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		569,762	590,035	611,081	632,930	655,615	679,166	703,618	729,005	755,364	782,731	811,146
Total Per Unit Cost		7,805	8,083	8,371	8,670	8,981	9,304	9,639	9,986	10,347	10,722	11,112
Expense/Income Ratio		0.45	0.45	0.45	0.45	0.46	0.46	0.46	0.46	0.47	0.47	0.47
INCOME AVAIL. FOR DEBT		705,875	723,872	742,243	760,993	780,126	799,647	819,559	839,867	860,575	881,686	903,204
Debt Service-1st Mortgage		612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868
Debt Service-2nd Note/Mortgage (amortizing)		0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868
Debt Service Ratio		1.15	1.18	1.21	1.24	1.27	1.30	1.34	1.37	1.40	1.44	1.47
DSR from Operations and Reserve		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service		93,007	111,004	129,375	148,125	167,258	186,779	206,691	227,000	247,708	268,818	290,336
UPP	25 %	23,252	27,751	32,344	37,031	41,815	46,695	51,673	56,750	61,927	67,205	72,584
	%	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow		69,755	83,253	97,031	111,094	125,444	140,084	155,019	170,250	185,781	201,614	217,752
											1,339,324	
OPERATING RESERVE:												
Beginning Reserve Balance			0	0	0	0	0	0	0	0	0	0
Interest Income		0	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow		0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance		0	0	0	0	0	0	0	0	0	0	0

PROJECTIONS	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
RENTAL INCOME										
Apartment Rents	1,858,716	1,914,478	1,971,912	2,031,069	2,092,001	2,154,761	2,219,404	2,285,986	2,354,566	2,425,203
Less Vacancy Loss	-92,936	-95,724	-98,596	-101,553	-104,600	-107,738	-110,970	-114,299	-117,728	-121,260
NET APT. RENTS	1,765,780	1,818,754	1,873,316	1,929,516	1,987,401	2,047,023	2,108,434	2,171,687	2,236,838	2,303,943
Commercial Income	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**1,765,780**	**1,818,754**	**1,873,316**	**1,929,516**	**1,987,401**	**2,047,023**	**2,108,434**	**2,171,687**	**2,236,838**	**2,303,943**
OTHER INCOME										
Laundry Machines	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	1,765,780	1,818,754	1,873,316	1,929,516	1,987,401	2,047,023	2,108,434	2,171,687	2,236,838	2,303,943
OPERATING EXPENSES										
Administrative	79,840	83,034	86,355	89,810	93,402	97,138	101,024	105,065	109,267	113,638
Salaries and Benefits	255,934	266,172	276,818	287,891	299,407	311,383	323,838	336,792	350,264	364,274
Maintenance & Repairs	52,639	54,744	56,934	59,211	61,580	64,043	66,605	69,269	72,039	74,921
Maintenance Contracts	32,008	33,288	34,620	36,004	37,445	38,942	40,500	42,120	43,805	45,557
Utilities	98,679	102,626	106,731	111,000	115,440	120,058	124,860	129,855	135,049	140,451
Management Fee	82,456	84,930	87,478	90,102	92,805	95,589	98,457	101,411	104,453	107,586
PILOT on Housing	83,355	85,806	88,329	90,926	93,598	96,348	99,179	102,092	105,089	108,175
Insurance	123,618	128,563	133,705	139,054	144,616	150,400	156,416	162,673	169,180	175,947
Replacement Reserves	32,120	32,120	32,120	32,120	32,120	32,120	32,120	32,120	32,120	32,120
PILOT on Comm.	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	840,649	871,283	903,091	936,118	970,412	1,006,022	1,042,999	1,081,395	1,121,267	1,162,669
Total Per Unit Cost	11,516	11,935	12,371	12,824	13,293	13,781	14,288	14,814	15,360	15,927
Expense/Income Ratio	0.48	0.48	0.48	0.49	0.49	0.49	0.49	0.50	0.50	0.50
INCOME AVAIL. FOR DEBT	925,131	947,471	970,225	993,397	1,016,989	1,041,001	1,065,435	1,090,291	1,115,571	1,141,273
Debt Service-1st Mortgage	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868
Debt Service-2nd Note/Mortgage (amortizing)	0	0	0	0	0	0	0	0	0	0
Total Debt Service	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868
Debt Service Ratio	1.51	1.55	1.58	1.62	1.66	1.70	1.74	1.78	1.82	1.86
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	312,263	334,603	357,358	380,530	404,121	428,133	452,567	477,424	502,703	528,406
UPP	78,066	83,651	89,339	95,132	101,030	107,033	113,142	119,356	125,676	132,101
	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow	234,197	250,952	268,018	285,397	303,091	321,100	339,425	358,068	377,027	396,304
				2,595,641						
OPERATING RESERVE:										
Beginning Reserve Balance	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0	0	0	0

MULTIFAMILY CASH FLOW

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
2,497,959	2,572,898	2,650,085	2,729,587	2,811,475	2,895,819	2,982,694	3,072,174	3,164,340
-124,898	-128,645	-132,504	-136,479	-140,574	-144,791	-149,135	-153,609	-158,217
2,373,061	2,444,253	2,517,580	2,593,108	2,670,901	2,751,028	2,833,559	2,918,566	3,006,123
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,373,061	**2,444,253**	**2,517,580**	**2,593,108**	**2,670,901**	**2,751,028**	**2,833,559**	**2,918,566**	**3,006,123**
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,373,061	2,444,253	2,517,580	2,593,108	2,670,901	2,751,028	2,833,559	2,918,566	3,006,123
118,183	122,911	127,827	132,940	138,258	143,788	149,540	155,521	161,742
378,845	393,999	409,759	426,149	443,195	460,923	479,360	498,534	518,476
77,918	81,035	84,276	87,647	91,153	94,799	98,591	102,535	106,636
47,379	49,275	51,246	53,295	55,427	57,644	59,950	62,348	64,842
146,069	151,912	157,988	164,308	170,880	177,715	184,824	192,217	199,906
110,814	114,138	117,563	121,089	124,722	128,464	132,318	136,287	140,376
111,350	114,617	117,980	121,440	125,001	128,666	132,437	136,317	140,311
182,985	190,304	197,917	205,833	214,067	222,629	231,534	240,796	250,428
32,120	32,120	32,120	32,120	32,120	32,120	32,120	32,120	32,120
0	0	0	0	0	0	0	0	0
1,205,664	1,250,311	1,296,675	1,344,823	1,394,823	1,446,749	1,500,674	1,556,676	1,614,836
16,516	17,128	17,763	18,422	19,107	19,818	20,557	21,324	22,121
0.51	0.51	0.52	0.52	0.52	0.53	0.53	0.53	0.54
1,167,397	1,193,942	1,220,906	1,248,285	1,276,078	1,304,279	1,332,885	1,361,890	1,391,287
612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868
0	0	0	0	0	0	0	0	0
612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868	612,868
1.90	1.95	1.99	2.04	2.08	2.13	2.17	2.22	2.27
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
554,530	581,074	608,038	635,418	663,210	691,412	720,017	749,022	778,419
138,632	145,269	152,009	158,854	165,803	172,853	180,004	187,256	194,605
0	0	0	0	0	0	0	0	0
415,897	435,806	456,028	476,563	497,408	518,559	540,013	561,767	583,814
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A DECLARATION OF INTENT FOR THE PROJECT KNOWN AS GARDEN COURT APARTMENTS, HMFA #07962

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

.

Laura Shea
Assistant Secretary

Garden Court Apartments **May 01, 2025**
Atlantic City, Atlantic County
HMFA #07982
Developer: WinnDevelopment Company LP
# of Units: 177
Population: Family

REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a "Declaration of Intent" stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $40,712,000 in construction financing for a project known as Garden Court Apartments, HMFA #07982 (the "Project"). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the "Original Expenditures") associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the "Reimbursement Regulations") promulgated under the Internal Revenue Code of 1986, as amended (the "Code").

1. The Project will be a qualified residential rental project within the meaning of Code Sections 142(a)(7) and 142(d) and related Treasury Regulations. A brief, general description of the Project is set forth below.

2. The Original Expenditures to be reimbursed with the proceeds of the Bonds will be "capital expenditures" as defined in Treas. Reg. Section 1.150-1(b), costs of issuance for the Bonds, and/or expenditures described in Treas. Reg. Section 1.148-6(d)(3)(ii)(B) (relating to certain extraordinary working capital items).

3. Pursuant to the Reimbursement Regulations, with respect to each Original Expenditure to be reimbursed with proceeds of the Bonds, either (i) the date of the declaration of official intent is not later than 60 days after the payment of the Original Expenditure, or (ii) if the date of the declaration of official intent is more than 60 days after the payment of the Original Expenditure, the Original Expenditure must be a preliminary, pre-construction expenditure as described in Treas. Reg. Section 1.150-2(f)(2) and the total amount of such preliminary expenditures to be reimbursed with proceeds of the Bonds cannot exceed 20% of the proceeds of the Bonds.

4. This Request for Action expresses the Board's declaration of intent only. It does not authorize the Agency to issue the Bonds, which issuance may only be authorized by subsequent action adopted in accordance with law. The ability of the Project to conform to the Agency's Multifamily Underwriting Guidelines and Financing Policy (the "Guidelines"), as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this Project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this Project any preference over any other project.

5. The following is a brief, general description of the Project based on current expectations regarding the Project:

The Project

The Project is a rehabilitation of one hundred and seventy-seven (177) affordable family units located in Atlantic City, Atlantic County, and is an existing Agency Portfolio Project. The Project is being developed by WinnDevelopment Company LP, (the "Developer"). The Project, which is a scattered site, features twenty (20) residential buildings. The residential buildings are located on 1401 Sewell Avenue, Block: 522 and Lot: 1, 1401 Caspian Ave, Block:526 and Lot: 1, 901-919 North New York Ave, Block: 605 and Lot 1,1425 McKinley Ave, Block: 606 and Lot:1. The twenty (20) buildings are collectively known as the "Property".

The Project is fully affordable to residents with incomes at or below 80% AMI. The Project contains one hundred and thirty-five (135) one-bedroom units, and forty-two (42) two- bedroom units. The square feet of the one-bedroom units range between 599 sq. ft. and 637 sq. ft. The two-bedroom units range between 1037 sq. ft. and 1031 sq. ft. There are 138 parking spaces representing roughly 0.78 parking spaces per dwelling unit.

The Project's utilities will be serviced by electric. The heat, hot water, cooking, air conditioning, and household electric will be individually metered and paid by the tenant. Water, and sewer will be mastered metered and paid by the Sponsor.

During the rehabilitation of the Project, residents will be temporarily relocated based on the requirements of the rehabilitation work. Residents may be temporarily relocated to another unit onsite or offsite, depending on the scope of work. Residents will have the option of temporarily relocating to the community room during the day, from 9:00 am until 3:00 pm. The renovations will take place in phases and take approximately two weeks to complete for each phase. The relocation budget is $885,000, approximately $5,000 per unit.

WinnManagement Company will manage the Project.

Exhibit A

The Project is seeking 4% Low Income Housing Tax Credits (LIHTC). For tax credit purposes, the Sponsor will select Incoming Averaging option.

Agency Financing

The Agency will provide a construction only loan from the Agency Revenue Bond Financing Program in the estimated amount of $33,926,508 at an estimated annual interest rate of 4.05%, with an estimated term of 2 years. The loan will be secured by a first mortgage lien on the Property.

The Agency will provide construction and permanent subsidy loan financing from the Urban Preservation Program ("UPP") Guidelines. The loan is currently estimated to be $5,000,000 at an estimated 0% interest rate during construction and an estimated 1% interest rate at permanent rollover for an estimated term of 30 years. The loan will be repaid from 25% of the Project's cash flow remaining after the payment of operating expenses, required reserves and amortized mortgage debt and at the earlier of 10 years or the repayment of deferred developer's fee. The loan will be secured by a subordinate mortgage lien on the property.

<u>DOI Conditions:</u>

1. The Agency authorizes its staff to require an additional credit enhancement obligation based on Agency staff's assessment of the associated risk involved in providing a mortgage for construction only financing.

2. The Agency authorizes its staff at its sole discretion to dictate the Construction Draw Schedule of Agency financing based on (1) pro rata apportionment of funds, (2) pari passu distribution or (3) the Agency financing being the last funding source disbursed during the construction period.

3. The Borrower has not justified to the Agency's satisfaction the reasonableness of the total development costs. Therefore, the Agency reserves the right to require that the Borrower provide a quantitative analysis and justification of the costs or the Agency will commission an independent analysis to confirm the cost, with the Sponsor paying for that analysis.

4. Further HMFA approval is subject to approval by New Jersey's Economic Development Authority's ("EDA") revision of the Aspire Program's eligibility period, during which a developer may claim a tax credit under the program, from 10 years to 5 years. The project will not advance to the HMFA board for consideration of a commitment until EDA's new rule revising the eligibility period for the Aspire award has been approved.

Exhibit A

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$14,685,000	($82,966/DU)	($114/SF)
Construction Costs (Including Contractor Fee)	$30,086,280	($169,979/DU)	($233/SF)
Contingencies	$3,253,421	($18,381/DU)	($25/SF)
Developer Fee	$6,320,100	($35,707/DU)	($49/SF)
Professional Fees	$2,141,477	($12,099/DU)	($17/SF)
Carrying Financing Costs	$6,417,560	($36,257/DU)	($50/SF)
Other Charges	$1,377,640	($7,783/DU)	($11/SF)
TOTAL DEVELOPMENT COST	$64,281,477	($363,172/DU)	($498/SF)

PROPOSED PERMANENT SOURCES

LIHTC Equity ($**0.95**) **Boston Financial**	$22,355,800	($126,304/DU)
Urban Preservation Program	$5,000,000	($28,249/DU)
Sponsor Loan	$3,160,050	($17,853/DU)
ASPIRE Credits	$30,605,578	($172,913/DU)
Deferred Developer Fee	$3,160,050	($17,853/DU)
TOTAL PROPOSED PERMANENT SOURCES	$64,281,478	($363,172/DU)

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY - with or without TAX CREDITS

SCHEDULE 10-A: PROJECT DESCRIPTION — CONSTRUCTION (ONLY) AND CONSTRUCTION& PERMANENT LOANS

		Date Action Taken
X	Inducement	5/1/25
	Commitment	
	Re-Commitment	
	Mtg. Extension	
	Bond Sale	
	Closing	

Indicate Closing Type By Date

Special Needs:
Other:
Other:

HMFA#: **07982**
Date: 4/16/25
Prepared by: **Karen Corsey**
Reviewed by:

Garden Court Apartments
Project Name

1425 McKinley Ave
Project Street Address

Zip Code: 08401

Municipality: Atlantic City
County: Atlantic
Block No.: 522526.00 / 605,606
Lot No.: 1.0000 / 1.0000

Type of Development
(Select either Family or Senior Citizens (NOT BOTH))

Family: X
Senior Citizens:

Provide the following:
Legislative District: 2
Congressional District: 2
Census Tract: 12.00

No. of dwelling units: 177
No. of occupied units:
Special Needs Units:
Special Needs Population:
Construction Term: 15 (mos.)
Rent-up Period: 3 (mos.)

Type of Loan

Construction Loan Only: X
Construction & Permanent Loan:
Permanent Loan Only:

Type of Construction
New Construction:
Modular:
Moderate Rehabilitation:
Substantial Rehab.:
Conversion:
Rehabilitation/Occupied: X
Historic:

Parking
Total Number of Parking Spaces: 138
Ratio of parking to D.U.'s: 0.78 : 1

Type of Financing
Tax Exempt: X
Taxable:

Tax Credits — **Check One**
4%: X
9%:
Historic:

Affordability - Check One
**** 40% AT 60%**
***** 20% AT 50%**
Income Averaging: X

Term of Note I (in years): 2.00
Term of Note II (in months):

Interest Rate: Note I 4.05%
Note II

The Project is in a: **Y or N**
QCT: Y
Smart Growth: Y
Planning Area: 1
(designate area)

ENTER DOLLAR AMOUNT

Type of Subsidy
Special Needs Program Funds: $
UPP: $ 5,000,000
Amount of AHGSP/Unit:
Money Follows the Person: $
Fire Supression: $
FRM-CDBG: $
Amt. Of FRM-CDBG/Unit: $
Other: $

Cost Summary

Cost of Land and/or Improvements	$77,966	per DU	$107	per Sqft.
Construction Cost	$169,979	per DU	$233	per Sqft.
Total Project Cost	$363,172	per DU	$498	per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Average Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
Townhouse	20	2&3	1	599	84	50,316
			2	1,031	39	40,209
			1	637	51	32,487
			2	1,072	2	2,144
			2	1,031	1	1,031
Basement/Crawl Space						
****Garage Parking						
Commercial Space						
Common/Other Space	Laundry Site, Rental Office, Maintanance Office, Maintanance Shop					2,995

Total Project Cost	$64,281,477
Minus Eligible Costs:	
Reserves	$1,242,940
Deferred Developer Fee	$3,160,050
Non Basis Off Site Improvements	
=	$59,878,487
Cost Per DU	$338,297

Totals: 20 Buildings — UNITS: 177 — 129,182 Sq. Ft.

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.
****Includes only parking beneath the building and/or parking structure

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

HMFA# 07982

X	Inducement	Prepared by:	Karen Corsey
	Commitment	Reviewed by:	
	Re-Commitment		Director of Technical Services
	Bond Sale		Date
	Closing		Director of Multifamily
			Date
			Managing Director of Multifamily
			Chief of Multifamily

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Enter total Amt. of Grant/Loan Here	Will loan/s be repaid from project revenues? (If Source is a grant, enter "G".) Y, or N, or G		
a) HMFA 1st. Mortgage, NOTE I	N/A		$	33,926,508
b) Urban Presevation Program	$5,000,000		$	5,000,000
c) Boston Financial LIHTC install #1 - Closing	$22,355,800		$	4,471,000
d) Boston Financial LIHTC install #2 - Completion 6/1/26			$	2,235,600
e) Boston Financial LIHTC install #3 - Completion 10/1/26 (partial)			$	2,235,600
f) Boston Financial LIHTC install #4 - Substanital Completion 10/1/27			$	5,589,000
g) ASPIRE Bridge Loan (partial)	$30,605,578		$	4,393,969
g) Garden Court Sponsor Loan	$3,160,050		$	3,160,050
h) **Deferred Developer's Fee**			$	3,160,050
TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			$	64,171,777

2. USES of FUNDS DURING CONSTRUCTION:

A. ACQUISITION COSTS:

				% of Cons't Cost OR Cost/Unit	
a) Land	@ ($ per Acre)	$	2,047,500		
b) Building Acquisition	**Should be between $15,000 & $25,000 per units**		11,752,500		
c) Relocation			885,000		
d) Other:	**Total Acquisition as a percent of Total Project Costs:**	22.84%			14,685,000

B. CONSTRUCTION COSTS

a) Demolition	**NOTE: Payment and Performance bonds are required through the constructior**	$			
b) Off-site Improvements	**and for a two-year period after the Certificate of Occupancy.**				
c) Residential Structures (including all on-site improvement)			26,106,386		
d) Community Building					
e) Environmental Clearances					
f) Surety & Bonding	**should be between .75% and 2% of Construction Costs**		225,000	0.75%	
g) Building Permits			100,000		
h) Garage Parking	**garage should be approx $15,000/space; parking lot around $700/space**				
i) General Requirments	**should be about 6% of construction costs**		1,566,383	5.59%	
j) Contractor Overhead	**should not exceed 2% of total construcion costs**		522,128	1.86%	
k) Contractor Profit	**should not exceed 6% of total construction costs**		1,566,383		
l) Other	**Total Cons't Costs as a percent of Total Project Costs:**	51.48%			30,086,280

C. DEVELOPERS FEE - CONSTR/REHAB	**13.64%**	**HMFA Policy is that the Developer fee is earned as a percentage of construction completion.**	5,850,000	
DEVELOPERS FEE - BUILDING	**4.00%**		470,100	
		Non-Deferred Amt: $3,160,050 7.37%		6,320,100

D. CONTINGENCY — **Non-Deferred Amt on Building Acq Not to Exceeed 2% :** *$235,050*

a) Hard Costs	10.000%	**5% for New Construction & 10% for Rehabilitation**	3,008,628	
b) Soft Costs	5.000%	**should be a Maximum of 5%**	244,793	3,253,421

E. PROFESSIONAL SERVICES

a) Appraisal & Market Study		$	30,000	
b) Architect			981,477	
c) Site Engineer			150,000	
d) Attorney			300,000	
e) Cost Certification/Audit - **should not exceed $35,000**			35,000	
f) Environmental Consultant			50,000	
g) Builder's Risk Insurance			150,000	
h) General Liablity Insurance			150,000	
i) Green Consultant			50,000	
j) Security			200,000	
k) Surveyor			20,000	
l) Other: Energy Audit	**Total Professional fees as a % of Total Project Costs:**	3.33%	25,000	2,141,477

F. PRE-OPERATIONAL EXPENSES * — *** Non-eligible costs in TC basis**

a) Operator fees (pre-construction completion) *	**Should Not Exceed $250.00**	$		
b) Advertising and Promotion (pre-construction completion)*			25,000	
c) Staffing and Start-up Supplies (pre-construction completion)*				
d) Other: *				
e) Other: *	**Total Pre Opt Costs as a % of Total Project Costs:**	0.04%		25,000

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION — **(percentage of total development costs)** 9.98%

a) Interest @	4.0500 % for	(24 mos.)	on $	33,926,508	2,748,047	
a) Aspire Bridge Loan Interest @	8.2500 % for	(25 mos.)	on $	3,160,050	381,415	
b) R.E. Tax $	232,662 (per annum) x		2.00 Yrs.		465,324	
c) Insurance $	(per annum) x		2.00 Yrs.			
d) Title Insurance and Recording Expenses					190,000	
e) Points To Reduce HMFA Servicing Fee **[Cons't. & Perm. Only]**		2%	on $	33,926,508	678,530	
f) HMFA Second Note Financing Fee **[Cons't & Perm Only]**			on $			
g) HMFA Constr.Loan Serv.Fee	0.50 % for	(24 mos.)	on	33,926,508	339,265	
h) Special Needs Financing Fee		3.00%	on $			
i) NJHMFA Application fee					6,000	
i) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the				109,700	
k) Negative Arbitrage **(if Bonds are sold during Construction)**	time the Development is under construciton, these costs				678,530	**(ESTIMATE)**
l) Cost of Issuance **(If Bonds are sold during Construction)**	should be accounted for during the construction period.					**(ESTIMATE)**
m) Furniture, Fixtures & Equipment (F,F&E)					95,000	
n) EDA ASPIRE Fees	**Total Carrying/Fin. Costs as % of Total Project Costs:**			9.98%	725,748	6,417,560

H. Working Capital Escrow

a) Debt Service & Operating Expenses
b) Rental Agent Rent-up Fee (during Rent-up)
c) Advertising and Promotion (during Rent-up)

I. Other Escrows

a) Insurance (1/2 YR.) held by Investor			$	130,980
b) Taxes (1 Qtr.) held by Investor			$	25,707
c) Debt Service Payment & Servicing Fee for 1 Month			$	
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months			$	
e) Repair & Replacement Reserves			$	
f) HMFA Operating Deficit Reserve			$	
g) Othe Syndicator RR held by Investor pd #4			$	177,000
h) Othe EDA ASPIRE Annual Services Fee pd w/ install #4			$	375,000
i) Othe Operating Deficit Reserve held by Investor pd #4	**Total Escrows as a % of Total Project Costs:**	1.93%	$	534,253

3. USES OF FUNDS DURING CONSTRUCTION: $ **64,171,777**

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage): $ (0)

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT: Y, or N, or G

		Y, or N, or G		Amount
a)			$	
b)			$	
c)	Boston Financial LIHTC install #5 - Conversion		$	7,332,768
d)	Boston Financial LIHTC install #6 - 8609		$	491,832
e)				
f)	ASPIRE Bridge Loan		$	26,211,608
g)	EDA ASPIRE Credits Issued over 10 years		$	30,605,578
	TOTAL SOURCES FOR PERMANENT CLOSE-OUT:		$	64,641,786

6. USES of FUNDS FOR PERMANENT Close-out:

A. DEVELOPER'S FEE:			$	
B. CONSTRUCTION LOAN PAYOFF & Bridge LOAN Payoff			$	64,532,086
C. Negative Arbitrage ^	**(ESTIMATE)**		$	
D. Cost of Issuance ^	**(ESTIMATE)**	**^ Non-eligible costs in TC basis**	$	
E. Tax Credit Fees			$	109,700
F. Other:			$	
7. TOTAL of NUMBER 6 A-F ABOVE:		**Total Costs at Perm. Closeout as % of Total Project Costs:** **0.17%**	$	**64,641,786**
8. BALANCE NEEDED TO CLOSE (overage / shortage):			$	
9. TOTAL PROJECT COSTS			$	**64,281,477**
10. MAXIMUM MORTGAGE LOAN		52.78 % of Item 10	$	33,926,508

11. 55% of Basis Test:

Aggregate Basis:	**$**	**61,684,560**
55% of Basis (estimated):		**33,926,508**
Less 1st Mtg., 1st Note:		33,926,508
Equals 1st. Mtg., 2nd Note Needed:		**0**

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE)

List Source

			$	
	Principal	$	$	
Interest @ ( ) mos.		$	$	
	Total	$	Total $	
			$	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________________ By: ______________________________

(Developer or Authorized Signatory) NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity:	Garden Court AC LLC	HMFA#	07982		
Dev. Name:	Garden Court Apartments	Prepared by:	Karen Corsey		04/16/25
		Reviewed by:			
AM Approved 2/13/25			**(Director of Asset Management)**		Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	9,796
Telephone	10,550
Dues & Sub.	2,000
Postage	600
Insp. & Other Fees	3,000
Advertising	5,000
Legal Services	10,500
Auditing (Year End)	16,000
Soc. Serv. Suppl.	
Misc. Adm. Expenses	7,043
Bookkeeping/Accounting	
and/or Computer Charges	5,100
Other: Bank Fees	4,500
TOTAL $	74,089

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	1.00	56,160
Janitorial		56,784
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin	1.00	82,500
Maintenance		71,400
Other Salaries:		
Empl. Benefits		40,027
Empl. Payroll Taxes		32,021
Worker's Comp.		8,005
Other:		
TOTAL $	2.00	346,897

III. MAINTENANCE AND REPAIRS

Masonary	4,500
Carpentry	4,000
Plumbing	3,500
Electrical	2,500
Kitchen Equipment	4,500
Elevator	
Windows & Glass	3,000
Vehicles & Equip.	1,200
Snow Removal	10,500
Grounds & Landscaping	15,000
Paint & Dec. Supl.	6,195
Small Equip. & Tools	4,840
Janit. Sup. & Tools	3,044
HVAC Supplies	5,000
Misc. Maint. Suppl.	11,000
Other:	
TOTAL $	78,779

IV. MAINTENANCE CONTRACTS

Security	
Elevator	
Rubbish Removal	30,825
Heating & AC Maint.	15,000
Grounds, Parking & Landscaping	40,264
Exterminating	15,500
Cyclical Apt. Painting	24,780
Other:	17,000
TOTAL $	143,369

V. UTILITY EXPENSE

Water Charges	57,743
Sewer Charges	153,461
Electricity	14,318
Gas	5,349
Fuel	
Less Solar Energy Savings	
TOTAL $	230,871

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	$	1,771,464			
Less Vacancy	(-)	88,573			
Less Utilities (if applicable)	(-)	230,871			
Gross Sheltered Rents	$	1,452,020			
x Rate	x	6.28 %			ACTUAL TAXES
Real Estate Taxes	$	91,187	OR		IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	33,926,508	HMFA #	07982
Mortgage Interest Rate	%	Prepared by:	Karen Corsey — 04/16/25
Term (years)	Yrs.	Reviewed by:	
Amortization (Y,S,M)			Date
FMR Area	Atlantic		

The Interest rate has been reduced by: ______ basis points as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.

Date of Income Limits Chart Used: 4/1/24
Date of Utility Chart Used: MaGrann

ANTICIPATED GROSS RENTS

	No. of Bedrooms	No. of Units	Target ** Occupancy	Gross Rent	Allowance for Tenant Paid Utilities***	Net Rent	Monthly	Annual	Square Feet of Individual Units
	1	1	30% AMI - Vacant	505	148	357	357	4,284	775
	1	5	77.5%AMI - Vacant	1,424	148	1,276	6,380	76,560	550
	1	1	25% AMI (30%)	466	148	318	318	3,816	550
	1	1	45% AMI (57.5%)	824	148	676	676	8,112	550
	1	1	45% AMI (57.5%)	825	148	677	677	8,124	550
	1	1	46% AMI (57.5%)	840	148	692	692	8,304	550
	1	1	46% AMI (57.5%)	845	148	697	697	8,364	550
	1	1	46% AMI (57.5%)	848	148	700	700	8,400	550
	1	3	46% AMI (57.5%)	850	148	702	2,106	25,272	550
	1	4	47% AMI (57.5%)	860	148	712	2,848	34,176	550
	1	4	47% AMI (57.5%)	861	148	713	2,852	34,224	550
	1	1	47% AMI (57.5%)	864	148	716	716	8,592	550
	1	1	47% AMI (57.5%)	866	148	718	718	8,616	550
	1	2	47% AMI (57.5%)	869	148	721	1,442	17,304	550
	1	1	47% AMI (57.5%)	870	148	722	722	8,664	550
	1	2	48% AMI (57.5%)	873	148	725	1,450	17,400	550
	1	3	48% AMI (57.5%)	875	148	727	2,181	26,172	550
	1	1	48% AMI (57.5%)	878	148	730	730	8,760	550
	1	1	48% AMI (57.5%)	880	148	732	732	8,784	550
	1	2	48% AMI (57.5%)	886	148	738	1,476	17,712	550
	1	1	48% AMI (57.5%)	889	148	741	741	8,892	550
	1	2	48% AMI (57.5%)	890	148	742	1,484	17,808	550
	1	1	49% AMI (57.5%)	899	148	751	751	9,012	550
	1	2	49% AMI (57.5%)	900	148	752	1,504	18,048	550
	1	1	49% AMI (57.5%)	902	148	754	754	9,048	550
	1	9	50% AMI (57.5%)	913	148	765	6,885	82,620	550
	1	3	50% AMI (57.5%)	916	148	768	2,304	27,648	550
	1	2	50% AMI (57.5%)	917	148	769	1,538	18,456	550
	1	9	50% AMI (57.5%)	921	148	773	6,957	83,484	550
	1	1	50% AMI (57.5%)	922	148	774	774	9,288	550
	1	1	50% AMI (57.5%)	926	148	778	778	9,336	550
	1	1	51% AMI (57.5%)	928	148	780	780	9,360	550
	1	1	51% AMI (57.5%)	930	148	782	782	9,384	550
	1	8	51% AMI (57.5%)	939	148	791	6,328	75,936	550
	1	1	52% AMI (57.5%)	955	148	807	807	9,684	550
	1	1	52% AMI (57.5%)	958	148	810	810	9,720	550
	1	3	52% AMI (57.5%)	959	148	811	2,433	29,196	550
	1	40	53% AMI (57.5%)	968	148	820	32,800	393,600	550
	1	2	54% AMI (57.5%)	986	148	838	1,676	20,112	550
	1	9	55% AMI (57.5%)	1,016	148	868	7,812	93,744	550
	2	1	46% AMI (57.5%)	1,024	220	804	804	9,648	775
	2	1	47% AMI (57.5%)	1,039	220	819	819	9,828	775
	2	1	49% AMI (57.5%)	1,071	220	851	851	10,212	775
	2	2	49% AMI (57.5%)	1,075	220	855	1,710	20,520	775
	2	1	50% AMI (57.5%)	1,100	220	880	880	10,560	775
	2	1	50% AMI (57.5%)	1,101	220	881	881	10,572	775
	2	1	50% AMI (57.5%)	1,108	220	888	888	10,656	775
	2	1	51% AMI (57.5%)	1,117	220	897	897	10,764	775
	2	1	51% AMI (57.5%)	1,118	220	898	898	10,776	775
	2	1	51% AMI (57.5%)	1,135	220	915	915	10,980	775
	2	1	52% AMI (57.5%)	1,151	220	931	931	11,172	775
	2	1	53% AMI (57.5%)	1,169	220	949	949	11,388	775
	2	4	55% AMI (57.5%)	1,205	220	985	3,940	47,280	775
	2	7	56% AMI (57.5%)	1,240	220	1,020	7,140	85,680	775
	2	2	57% AMI (57.5%)	1,268	220	1,048	2,096	25,152	775
	2	15	57.5% AMI (57.5%)	1,277	220	1,057	15,855	190,260	775
Super's Apt.*	2	1							
	TOTALS	**177**					**147,622**		

Anticipated Annual Rents: **1,771,464**

* Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put $0 in the Rent column.
** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income.
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom
*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.

EQUIPMENT AND SERVICES

(a) **Equipment:**

Equipment	
Ranges	
Refrigerator	X
Air Conditioning	X
Laundry Facilities	X
Disposal	
Dishwasher	X
Carpet	
Drapes	
Swimming Pool	
Tennis Court	
Other:	

(b) **Services:**

Services	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Heat	E	I	Y
Hot Water	E	I	Y
Cooking	E	I	Y
Air Conditioning	E	I	Y
Household Electric		I	Y
Water		MM	N
Sewer		MM	N
Parking			
Other:			
Other:			

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart		**Utility Company Estimates**	
HUD Utility Schedule Model		**Energy Consumption Model**	

COMMERCIAL SPACE

(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: Garden Court AC LLC — HMFA# 07982

Dev. Name: Garden Court Apartments

Prepared by: Karen Corsey — 04/16/25

Reviewed by: (Director of Asset Management - Expenses Only) — Date

RENTAL INCOME				
Apartment Rents		$ 1,771,464		
Vacancy Loss	(5.00 %) -	88,573		
NET APT. RENTS		1,682,891		
Commercial Income	per Sq. Ft.	$		
Garage & Parking	per Sq. Ft.			
Commercial Vacancy	%			
NET COMMERCIAL RENTALS				
TOTAL RENTAL INCOME		$ 1,682,891		
OTHER INCOME				
Laundry Machines		$ 5,000		
Other:				
TOTAL OTHER INCOME		$ 5,000		
TOTAL REVENUE			$ **1,687,891**	
EXPENSES				
Administrative (Schedule I)		$ 74,089		
Salaries (Schedule II)		346,897		
Maint. & Repairs (Schedule III)		78,779		
Maint. Contracts (Schedule IV)		143,369		
Utilities (Schedule V)		230,871		
Management Fee	64.97 per unit	138,000		* Should be between $68 & $80 per unit per month
P.I.L.O.T. on Commercial Income(	%)			
Real Estate Taxes (Schedule VI)		91,187		
Insurance	$1,480 per Unit	261,960		**2-Story & below - $500; 3-Story & above - $550**
Reserve for Repair and Replacement	490.00 per unit	86,730		
TOTAL EXPENSES			$ **1,451,882**	
NET OPERATING INCOME			$ **236,009**	
DEBT SERVICE				
1. Principal and Interest		$		
2. Mortg & Bond Serv Fee	%			
3. MIP	%			
4. Debt Service on Other Mortgage Loans	$	$		
AGENCY DEBT SERVICE		$		
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$		
TOTAL DEBT SERVICE			$	
NET INCOME			$ **236,009**	
Less Return on Equity	(% on $	)	- $	
Project Profit/(Loss)			$ **236,009**	

DEBT SERVICE RATIO CALCULATION :

DSR = NET OPERATING INCOME / AGENCY DEBT SERVICE =

New Mortgage Amount

33,926,508

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT:	Garden Court Apartments
HMFA #:	07982
LOAN OFFICER:	Karen Corsey
DATE:	4/16/25

Annual % of Rent Increase:	**3.00%**	
Annual Expense Increase:	**4%**	
Vacancy:	5.00	$88,573
Commercial Rent Increase:		
Commercial Vacancy:	**0.00** %	

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
1	1	599	505	30% AMI - Va(	148	357	357	4,284
1	5	1,031	1,424	77.5%AMI - Va	148	1,276	6,380	76,560
0	0	637	0	0	0	0	0	0
1	1	1,072	466	25% AMI (3	148	318	318	3,816
2	1	1,031	1,108	50% AMI (57.	220	888	888	10,656
2	1	0	1,117	51% AMI (57.	220	897	897	10,764
2	1	0	1,118	51% AMI (57.	220	898	898	10,776
2	1	0	1,135	51% AMI (57.	220	915	915	10,980
2	1	0	1,151	52% AMI (57.	220	931	931	11,172
2	1	0	1,169	53% AMI (57.	220	949	949	11,388
2	4	0	1,205	55% AMI (57.	220	985	3,940	47,280
2	7	0	1,240	56% AMI (57.	220	1,020	7,140	85,680
2	2	0	1,268	57% AMI (57.	220	1,048	2,096	25,152
2	15	0	1,277	57.5% AMI (5	220	1,057	15,855	190,260
0	0	0	0	0	0	0	0	0
0	0		0	0	0	0	0	0
2	1		0	0	0	0	0	0
Total	**177**							**1,771,464**

Permanent Mortgage (1st Note)		33,926,508
Interest Rate:		0.00
Term:		0
Annual Payment:		0
Servicing Fee:	0.000	0
MIP:	0.000	0

2nd Note/Mortgage (Amortizing)		
Interest Rate:		0.000000
Term in Years:		0
Annual Payment:		**$0.00**
Servicing Fee:		$0
		$0

FRM-CDBG	5,000,000
Interest Rate Annually:	
First Years Balance:	5,000,000

PILOT Calculation	Year 1	
Rental Income		
Gross Rental Income	1,771,464	
Less: Vacancy	-88,573	
Net Rental Income	1,682,891	
Less: Owner-pd Utilities	-230,871	
Basis for PILOT Calc.	1,452,020	
PILOT Rate	6.28	
PILOT Payment Estimate	$91,187	
Commercial:		**Square Ft.**
Gross Commercial Income	0	2,995
Less: Vacancy	(0.00)	
Net Commercial Income	0	
PILOT Rate	0.00%	
PILOT Payment Estimate	0	

Commercial
$/sq. ft.
$0

DEVELOPMENT:	Garden Court Apartments
HMFA #:	07982
LOAN OFFICER:	Karen Corsey
DATE:	4/16/25

PROJECTIONS		%	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
RENTAL INCOME												
Apartment Rents			1,771,464	1,824,608	1,879,346	1,935,727	1,993,798	2,053,612	2,115,221	2,178,677	2,244,038	2,311,359
Less Vacancy Loss		5 %	-88,573	-91,230	-93,967	-96,786	-99,690	-102,681	-105,761	-108,934	-112,202	-115,568
NET APT. RENTS			1,682,891	1,733,378	1,785,379	1,838,940	1,894,108	1,950,932	2,009,460	2,069,743	2,131,836	2,195,791
Commercial Income		$0	0	0	0	0	0	0	0	0	0	0
Garage & Parking		0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy		0.00	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS			0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:			**1,682,891**	**1,733,378**	**1,785,379**	**1,838,940**	**1,894,108**	**1,950,932**	**2,009,460**	**2,069,743**	**2,131,836**	**2,195,791**
OTHER INCOME												
Laundry Machines		$5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other:		0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL REVENUE			1,687,891	1,738,378	1,790,379	1,843,940	1,899,108	1,955,932	2,014,460	2,074,743	2,136,836	2,200,791
OPERATING EXPENSES		Yearly Per Unit Cost										
Administrative		$419	74,089	77,053	80,135	83,340	86,674	90,141	93,746	97,496	101,396	105,452
Salaries and Benefits		$1,960	346,897	360,773	375,204	390,212	405,820	422,053	438,935	456,493	474,752	493,743
Miantenance & Repairs		$445	78,779	81,930	85,207	88,616	92,160	95,847	99,681	103,668	107,815	112,127
Maintenance Contracts		$810	143,369	149,104	155,068	161,271	167,721	174,430	181,408	188,664	196,210	204,059
Utilities		$1,304	230,871	240,106	249,710	259,698	270,086	280,890	292,125	303,810	315,963	328,601
Management Fee	64.97	$138,000	138,000	142,140	146,404	150,796	155,320	159,980	164,779	169,723	174,814	180,059
PILOT on Housing	6.28	$515	91,187	94,091	96,754	99,490	102,303	105,193	108,163	111,215	114,351	117,573
Insurance		$1,480	261,960	272,438	283,336	294,669	306,456	318,714	331,463	344,721	358,510	372,851
Replacement Reserves		$490	$86,730	86,730	86,730	86,730	86,730	86,730	86,730	86,730	86,730	86,730
PILOT on Comm.		$0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES			1,451,882	1,504,365	1,558,548	1,614,823	1,673,271	1,733,978	1,797,030	1,862,520	1,930,542	2,001,195
Total Per Unit Cost			8,203	8,499	8,805	9,123	9,454	9,796	10,153	10,523	10,907	11,306
Expense/Income Ratio			0.86	0.87	0.87	0.88	0.88	0.89	0.89	0.90	0.90	0.91
INCOME AVAIL. FOR DEBT			236,009	234,012	231,831	229,117	225,837	221,954	217,430	212,224	206,294	199,596
Debt Service-1st Mortgage			0	0	0	0	0	0	0	0	0	0
Debt Service-2nd Note/Mortgage (amortizing)			0	0	0	0	0	0	0	0	0	0
Total Debt Service			0	0	0	0	0	0	0	0	0	0
Debt Service Ratio			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSR from Operations and Reserve			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service			236,009	234,012	231,831	229,117	225,837	221,954	217,430	212,224	206,294	199,596
UPP	25 %		59,002	58,503	57,958	57,279	56,459	55,489	54,357	53,056	51,574	49,899
	%		0	0	0	0	0	0	0	0	0	0
	Remaining Cash Flow		177,007	175,509	173,873	171,838	169,378	166,466	163,072	159,168	154,721	149,697
												1,660,729
OPERATING RESERVE:												
Beginning Reserve Balance				0	0	0	0	0	0	0	0	0
Interest Income			0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow			0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance			0	0	0	0	0	0	0	0	0	0

PROJECTIONS	**Year 11**	**Year 12**	**Year 13**	**Year 14**	**Year 15**	**Year 16**	**Year 17**	**Year 18**	**Year 19**	**Year 20**	**Year 21**
RENTAL INCOME											
Apartment Rents	2,380,699	2,452,120	2,525,684	2,601,455	2,679,498	2,759,883	2,842,680	2,927,960	3,015,799	3,106,273	3,199,461
Less Vacancy Loss	-119,035	-122,606	-126,284	-130,073	-133,975	-137,994	-142,134	-146,398	-150,790	-155,314	-159,973
NET APT. RENTS	2,261,665	2,329,514	2,399,400	2,471,382	2,545,523	2,621,889	2,700,546	2,781,562	2,865,009	2,950,959	3,039,488
Commercial Income	0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**2,261,665**	**2,329,514**	**2,399,400**	**2,471,382**	**2,545,523**	**2,621,889**	**2,700,546**	**2,781,562**	**2,865,009**	**2,950,959**	**3,039,488**
OTHER INCOME											
Laundry Machines	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other:	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL REVENUE	2,266,665	2,334,514	2,404,400	2,476,382	2,550,523	2,626,889	2,705,546	2,786,562	2,870,009	2,955,959	3,044,488
OPERATING EXPENSES											
Administrative	109,670	114,057	118,619	123,364	128,298	133,430	138,767	144,318	150,091	156,094	162,338
Salaries and Benefits	513,492	534,032	555,393	577,609	600,713	624,742	649,732	675,721	702,750	730,860	760,094
Miantenance & Repairs	116,612	121,277	126,128	131,173	136,420	141,877	147,552	153,454	159,592	165,975	172,614
Maintenance Contracts	212,221	220,710	229,538	238,720	248,269	258,199	268,527	279,269	290,439	302,057	314,139
Utilities	341,745	355,415	369,632	384,417	399,794	415,786	432,417	449,714	467,702	486,410	505,867
Management Fee	185,460	191,024	196,755	202,658	208,737	215,000	221,449	228,093	234,936	241,984	249,243
PILOT on Housing	120,885	124,287	127,783	131,375	135,066	138,857	142,752	146,754	150,865	155,088	159,425
Insurance	387,765	403,275	419,406	436,183	453,630	471,775	490,646	510,272	530,683	551,910	573,987
Replacement Reserves	86,730	86,730	86,730	86,730	86,730	86,730	86,730	86,730	86,730	86,730	86,730
PILOT on Comm.	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	2,074,581	2,150,808	2,229,985	2,312,228	2,397,657	2,486,396	2,578,573	2,674,324	2,773,787	2,877,108	2,984,438
Total Per Unit Cost	11,721	12,151	12,599	13,063	13,546	14,047	14,568	15,109	15,671	16,255	16,861
Expense/Income Ratio	0.92	0.92	0.93	0.93	0.94	0.95	0.95	0.96	0.97	0.97	0.98
INCOME AVAIL. FOR DEBT	192,083	183,707	174,415	164,154	152,866	140,493	126,973	112,238	96,222	78,851	60,050
Debt Service-1st Mortgage	0	0	0	0	0	0	0	0	0	0	0
Debt Service-2nd Note/Mortgage (amortizing)	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	0	0	0	0	0	0	0	0	0	0	0
Debt Service Ratio	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	192,083	183,707	174,415	164,154	152,866	140,493	126,973	112,238	96,222	78,851	60,050
UPP	48,021	45,927	43,604	41,038	38,217	35,123	31,743	28,060	24,055	19,713	15,013
%	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow	144,063	137,780	130,811	123,115	114,650	105,370	95,229	84,179	72,166	59,138	45,038
					2,311,147						
OPERATING RESERVE:											
Beginning Reserve Balance	0	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0	0	0	0	0

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
3,295,445	3,394,308	3,496,137	3,601,022	3,709,052	3,820,324	3,934,934	4,052,982	4,174,571
-164,772	-169,715	-174,807	-180,051	-185,453	-191,016	-196,747	-202,649	-208,729
3,130,673	3,224,593	3,321,331	3,420,971	3,523,600	3,629,308	3,738,187	3,850,332	3,965,842
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
3,130,673	**3,224,593**	**3,321,331**	**3,420,971**	**3,523,600**	**3,629,308**	**3,738,187**	**3,850,332**	**3,965,842**
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
0	0	0	0	0	0	0	0	0
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
3,135,673	3,229,593	3,326,331	3,425,971	3,528,600	3,634,308	3,743,187	3,855,332	3,970,842
168,832	175,585	182,608	189,913	197,509	205,410	213,626	222,171	231,058
790,498	822,118	855,002	889,203	924,771	961,761	1,000,232	1,040,241	1,081,851
179,519	186,700	194,168	201,935	210,012	218,412	227,149	236,235	245,684
326,705	339,773	353,364	367,498	382,198	397,486	413,386	429,921	447,118
526,101	547,146	569,031	591,793	615,464	640,083	665,686	692,314	720,006
256,721	264,422	272,355	280,526	288,941	297,610	306,538	315,734	325,206
163,881	168,458	173,158	177,986	182,945	188,037	193,267	198,638	204,153
596,946	620,824	645,657	671,483	698,342	726,276	755,327	785,540	816,962
86,730	86,730	86,730	86,730	86,730	86,730	86,730	86,730	86,730
0	0	0	0	0	0	0	0	0
3,095,932	3,211,755	3,332,074	3,457,066	3,586,913	3,721,806	3,861,941	4,007,524	4,158,767
17,491	18,146	18,825	19,531	20,265	21,027	21,819	22,641	23,496
0.99	0.99	1.00	1.01	1.02	1.02	1.03	1.04	1.05
39,740	17,838	(5,743)	(31,095)	(58,313)	(87,498)	(118,754)	(152,191)	(187,925)
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39,740	17,838	(5,743)	(31,095)	(58,313)	(87,498)	(118,754)	(152,191)	(187,925)
9,935	4,460	(1,436)	(7,774)	(14,578)	(21,874)	(29,688)	(38,048)	(46,981)
0	0	0	0	0	0	0	0	0
29,805	13,379	(4,308)	(23,321)	(43,735)	(65,623)	(89,065)	(114,143)	(140,944)
0	0	0	(5,743)	(36,839)	(95,152)	(182,650)	(301,404)	(453,595)
0	0	0	0	0	0	0	0	0
0	0	(5,743)	(31,095)	(58,313)	(87,498)	(118,754)	(152,191)	(187,925)
0	0	(5,743)	(36,839)	(95,152)	(182,650)	(301,404)	(453,595)	(641,520)

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A DECLARATION OF INTENT FOR THE PROJECT KNOWN AS 10 PARK PLACE, HMFA #07999

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

.

Laura Shea
Assistant Secretary

10 Park Place **May 1, 2025**
Newark, Essex County
HMFA #07999
Developer: SK Development, LLC
# of Units: 196
Population: Family

REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a "Declaration of Intent" stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $72,613,000 in construction and permanent or permanent financing for a project known as 10 Park Place, HMFA #07999 (the "Project"). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the "Original Expenditures") associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the "Reimbursement Regulations") promulgated under the Internal Revenue Code of 1986, as amended (the "Code").

1. The Project will be a qualified residential rental project within the meaning of Code Sections 142(a)(7) and 142(d) and related Treasury Regulations. A brief, general description of the Project is set forth below.

2. The Original Expenditures to be reimbursed with the proceeds of the Bonds will be "capital expenditures" as defined in Treas. Reg. Section 1.150-1(b), costs of issuance for the Bonds, and/or expenditures described in Treas. Reg. Section 1.148-6(d)(3)(ii)(B) (relating to certain extraordinary working capital items).

3. Pursuant to the Reimbursement Regulations, with respect to each Original Expenditure to be reimbursed with proceeds of the Bonds, either (i) the date of the declaration of official intent is not later than 60 days after the payment of the Original Expenditure, or (ii) if the date of the declaration of official intent is more than 60 days after the payment of the Original Expenditure, the Original Expenditure must be a preliminary, pre-construction expenditure as described in Treas. Reg. Section 1.150-2(f)(2) and the total amount of such preliminary expenditures to be reimbursed with proceeds of the Bonds cannot exceed 20% of the proceeds of the Bonds.

4. This Request for Action expresses the Board's declaration of intent only. It does not authorize the Agency to issue the Bonds, which issuance may only be authorized by subsequent action adopted in accordance with law. The ability of the Project to conform to the Conduit Bond Program, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this Project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this Project any preference over any other project.

5. The following is a brief, general description of the Project based on current expectations regarding the Project:

The Project

The Project was originally built in 1928 as the headquarters for the Fireman's Insurance Company. The ten (10) story high-rise elevator building in the Military Park neighborhood is on the National Register of Historic Places in 1982. The building will consist of one-hundred ninety-six (196) affordable residential rental units. The proposed residence will consist of fifty-four (54) studio units, one-hundred and sixteen (116) one-bedroom units, sixteen (16) two-bedroom units and ten (10) three-bedroom units. Additionally, the dwellings units on the first, second and tenth floors will feature a loft-style design. The amenities will be located on the ground floor. These will include a mail room, package room, onsite laundry facilities, a community lounge, an exercise room, bicycle storage, spaces for social services. The proposed net rents are as follows, for the studio units the ranges are \$348 to \$1,203; the net rents for the one-bedrooms are \$595 to \$1,267; the net rents for the two-bedrooms are \$700 to \$1,506 and the three-bedrooms are \$455 to \$1726. The Project proposes one (1) studio superintendent unit which will be rent free. The studio units will average 508 square feet, the one-bedroom units will be 663 square feet, the two-bedroom units will be 929 square feet, and the three-bedroom units will average 1142 square feet. As some of the units (3 studios and 1 three-bedroom) did not meet the minimum unit size per the Multifamily Underwriting and Financing Policy Guidelines, a market study was provided to support the marketability of the smaller units and those unit AMI's were discounted by ten (10) percent.

All utilities will be serviced by electricity and paid by the tenant. Water and sewer will be paid by the Sponsor.

The property will be managed by Applied Management.

The Project is seeking 4% Low-Income Housing Tax Credits (LIHTC). For the LIHTC purposes, the Sponsor has elected the 40% at 60% AMI option.

Exhibit A

Conduit Financing Structure

Issuer of Bonds – New Jersey Housing and Mortgage Finance Agency

Issuer's Bond Counsel – To Be Determined

Trustee – U.S. Bank Trust Company, National Association; The Agency will assign mortgage to Trustee US Bank

Credit Enhancement – Fannie Mae Cash Collateral

Servicer on Behalf of Credit Enhancement Entity – Walker & Dunlop

Borrower – 10 Park Place Newark LLC

Bond Underwriter – Stifel, Nicolaus & Company, Incorporated

Tax Credit Investor – PNC Bank, N.A.

Agency Financing

The Agency will provide construction and permanent financing from the Conduit Bond Program. This loan will be evidenced by two mortgage notes. Note I is anticipated to be in the amount of $11,752,295, at an estimated interest rate of 5.90% (inclusive of the tax-exempt rate of 5.40%, and Agency's annual administrative fee of 0.50 %). The term of the loan will be 35 years with an amortization period of 35 years. The loan will be secured by a first mortgage lien on the property.

In order to meet the 55% aggregate basis test, as required by the Agency's underwriting guidelines, Note II must be funded through bond proceeds in an amount anticipated to be $48,757,959, at an estimated interest rate of 5.00%, with a maturity date of 24 months from the date of loan closing. Note II will be additionally secured by an assignment of syndication proceeds and/or an assignment of historic tax credits and /or an assignment of state historic tax credits.

<u>DOI Conditions:</u>

1. The Borrower has not justified to the Agency's satisfaction the reasonableness of the total development costs. Therefore, the Agency reserves the right to require that the Borrower provide a quantitative analysis and justification of the costs or the Agency will commission an independent analysis to confirm the cost, with the Sponsor paying for that analysis.

2. The borrower must conclusively demonstrate that this project is permitted to receive an allocation of LIHTC in accordance with Section 19 of P.L. 2008, c. 46,

N.J.S.A. 52:27D-321.1 (A500 ACS) and is subject to an Inclusionary review, feasibility analysis and determination of LIHTC eligibility prior to the project proceeding to a mortgage commitment.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$21,844,494	($111,452/DU)	($112/SF)
Construction Costs (Including Contractor Fee)	$55,247,482	($281,875/DU)	($284/SF)
Contingencies	$5,963,794	($30,428/DU)	($31/SF)
Developer Fee	$12,963,32	($62,898/DU)	($63/SF)
Professional Fees	$2,963,132	($15,118/DU)	($15/SF)
Carrying Financing Costs	$8,617,366	($43,966/DU)	($44/SF)
Other Charges	$6,056,727	($30,902/DU)	($31/SF)
TOTAL DEVELOPMENT COST	$113,021,018	($576,638/DU)	($580/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage, Note I	$11,752,295	($59,961/DU)
NJEDA Aspire Credits	$26,343,191	($134,404/DU)
LIHTC Equity ($0.86) PNC Bank, N.A.	$44,426,847	($226,668/DU)
NJ State Historic Credits	$9,187,200	($46,873/DU)
Federal Historic Tax Credits	$15,208,633	($77,595/DU)
Deferred Developer Fee	$6,102,852	($31,137/DU)
TOTAL PROPOSED PERMANENT SOURCES	$113,021,018	($576,638/DU)

REPAYMENT OF HMFA NOTE II PLUS INTEREST (And/or any Construction Bridge Loan).

HMFA Note II	$48,757,959	($248,765/DU)
Note II Interest	$1,218,949	($6,219/DU)
TOTAL HMFA Note II	$49,976,908	($254,984/DU)

<u>LESS PROPOSED SOURCES</u>	
Federal Historic Tax Credits	$11,406,475
LIHTC Equity	$29,383,233
NJ State Historic Tax Credits	$9,187,200
TOTAL SOURCES PROPOSED	$49,976,908

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY CONDUIT BOND PROGRAM

SCHEDULE 10-A: PROJECT DESCRIPTION CONSTRUCTION (ONLY) AND CONSTRUCTION& PERMANENT LOANS

		Date Action Taken
X	Inducement	5/1/25
	Commitment	
	Re-Commitment	
	Mtg. Extension	
	Bond Sale	
	Closing	

Indicate Closing Type By Date

Special Needs:
Other:
Other:
Other:

HMFA#: **07999**
Date: 4/14/25
Prepared by: **Chalyn Toon**
Reviewed by:

10 Park Place
Project Name

Project Street Address	City	State	Zip Code
10 Park Place	Newark	NJ	07102

Municipality: Newark City (345)
County: Essex (13)

List Block followed by corresponding Lot and separated by a comma
Note # Only one Block and one lot per cell **Example:** **31,3.05**

17,7				

Amortization Period:	35
Term of Mortgage (in years):	35
Construction Interest Rate	5.00%
Principle and Interest Rate	5.40%
Credit Enhancement Rate/Fee)	
Private Lender Fee/Rate:	
HMFA Annual Admin Fee	0.50%
Stacked Rate/Total:	5.90%

Type of Development
(Select either Family or Senior Citizens (NOT BOTH))

Family	x
Senior Citizens	
Provide the following:	
Legislative District:	District 29 (29)
Congressional District:	District 10 (10)
Census Tract:	80.00
No. of dwelling units	196
No. of occupied units	
Special Needs Units	
Special Needs Population	
Construction Term	24 (mos.)
Rent-up Period	12 (mos.)

Type of Construction

New Construction	
Modular	
Moderate Rehabilitation	
Substantial Rehab.	x
Conversion	
Rehabilitation/Occupied	
Historic	x

QCT	x
Smart Growth	x
Planning Area:	Urban
	(designate area)

Parking

Total Number of Parking Spaces
Ratio of parking to D.U.'s : 1

Type of Loan

Construction Loan Only	
Construction & Permanent Loan	x
Permanent Loan Only	

Type of Financing

Tax Exempt	x
Taxable	

Tax Credits	**Check One**
4%	x
9%	
Historic	

Affordability	**Check One**
** 40% AT 60%	x
*** 20% AT 50%	
Income Averaging	

ENTER DOLLAR AMOUNT

Type of Subsidy

Special Needs Program Funds	$
FRM-CDBG	$
Amt. Of FRM-CDBG/Unit:	
Money Follows the Person	$
Fire Supression	$
Other	$
Other	$

Cost Summary

Cost of Land and/or Improvements	$111,452	per DU	$112	per Sqft.
Construction Cost	$281,875	per DU	$284	per Sqft.
Total Project Cost	$576,638	per DU	$580	per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Average Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
HighRise	1	10	Studio	561	26	14,586
			Studio	455	27	12,285
			1	663	116	76,908
			2	929	16	14,864
			3	1,101	2	2,202
			3	1,163	8	9,304
			Super's	453	1	453
Basement/Crawl Space						
****Garage Parking						
Commercial Space						
Common/Other Space	lobby, package room, mail room, laundry facilities, gym, service office, mgmt					64,195

Total Project Cost	$113,021,018
Minus Eligible Costs:	
Reserves	$1,783,425
Req Deferred Developer Fee	$6,102,852
Non Basis Off Site Improvements	
=	$105,134,741
Cost Per DU	$536,402

Type of Enhancement

FHA, Fannie, Freddie	x
Ginny Mae, LOC	

Type of Purchase

Public, Direct, Private	Public

Expiration Year of Current Subsidy/Mtg

Section 8, Section 236 Project	
Year Current Mtg Expires	
Year Current HAP or IRP Expires	
HMFA Portfolio	

Totals: 1 Buildings UNITS: 196 194,797 Sq. Ft.

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.
****Includes only parking beneath the building and/or parking structure

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

HMFA# 07999

X	Inducement	Prepared by:	Chalyn Toon
	Commitment	Reviewed by:	
	Re-Commitment		Director of Technical Services
	Bond Sale		Director of Multifamily
	Closing		Managing Director of Multifamily
			Chief of Multifamily

Date

Date

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Source	Enter total Amt. of Grant/Loan Here	Notes/Memo	Amount
a)	HMFA 1st. Mortgage, NOTE I	N/A		$ 11,752,295
b)	HMFA 1st. Mortgage, NOTE II			$ 48,757,959
c)	Aspire Program (177)	$26,343,191	NDH Aspire Bridge loan	$ 26,343,191
d)	LIHTC Equity (170)	$44,581,696		$ 4,442,685
e)	LIHTC Equity (170)			$ 4,442,685
f)	LIHTC Equity (170)		Foss HTC	$ 3,802,158
g)	Construction Bridge Loan (28)		Citizens Taxable Tail	$ 5,903,255
h)	**Deferred Developer's Fee**			$ 6,357,841
	TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			$ 111,802,069

2. USES of FUNDS DURING CONSTRUCTION:

Item	Notes	Amount	% of Cons't Cost OR Cost/Unit	Total
A. ACQUISITION COSTS:				
a) Land	@ ($ per Acre)	$ 2,643,920		
b) Building Acquisition	**Should be between $15,000 & $25,000 per units**	19,200,574		
c) Relocation				
d) Other:	**Total Acquisition as a percent of Total Project Costs: 19.33%**			21,844,494
B. CONSTRUCTION COSTS				
a) Demolition	**NOTE: Payment and Performance bonds are required through the const**	$		
b) Off-site Improvements	**and for a two-year period after the Certificate of Occupancy.**			
c) Residential Structures (including all on-site improvement)		46,875,482		
d) Community Building				
e) Environmental Clearances				
f) Surety & Bonding	**should be between .75% and 2% of Construction Costs**	1,105,000	**2.00%**	
g) Building Permits		264,000		
h) Garage Parking	**garage should be approx $15,000/space; parking lot around $700/space**			
i) General Requirments	**should be about 6% of construction costs**	2,907,000	**6.00%**	
j) Contractor Overhead & Profit	**should not exceed 8% of cons't costs total - usually 2% for Overhead and 6% for Profit**	3,876,000	**8.00%**	
l) Other Green		220,000		
m) Other	**Total Cons't Costs as a percent of Total Project Costs: 53.77%**			55,247,482
C. DEVELOPERS FEE - CONSTR/REHAB	**15.00%** — HMFA Policy is that the Developer fee is earned as a percentage of construction completion.	11,560,000		
DEVELOPERS FEE - BUILDING	**4.00%**	768,023		
	Non-Deferred Amt: $6,225,171 **7.20%**			12,328,023
D. CONTINGENCY	*Non-Deferred Amt on Building Acq Not to Exceeed 2% : $384,011*			
a) Hard Costs 10.000%	**5% for New Construction & 10% for Rehabilitation**	5,524,748		
b) Soft Costs 3.000%	**should be a Maximum of 5%**	439,046		5,963,794
E. PROFESSIONAL SERVICES				
a) Appraisal & Market Study		$ 6,600		
b) Architect		1,837,500		
c) Site Engineer		436,412		
d) Attorney		560,720		
e) Cost Certification/Audit - **should not exceed $35,000**		31,500		
f) Environmental Consultant		6,600		
g) Historical Consultant		50,000		
h) Geotechnical Consultant				
i) Green Consultant		25,000		
j) Surveyor		8,800		
k) Professional Planner:				
l) Other	**Total Professional fees as a % of Total Project Costs: 2.62%**			2,963,132
F. PRE-OPERATIONAL EXPENSES *	* **Non-eligible costs in TC basis**			
a) Operator fees (pre-construction completion) *	**Should Not Exceed $250.00**	$		
b) Advertising and Promotion (pre-construction completion)*				
c) Staffing and Start-up Supplies (pre-construction completion)*				
d) Other: * Citizens taxable tail loan interest		600,000		
e) Other: * NDH Aspire Bridge loan interest	**Total Pre Opt Costs as a % of Total Project Costs: 2.70%**	2,454,353		3,054,353
G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION	**(percentage of total development costs)**			
a) Interest @ 5.0000 %	for (30 mos.) on $ 60,510,254	3,660,000		
b) R.E. Tax $ 27,339 (per annum)	x 2.50 Yrs.	68,348		
c) Insurance $ 273,817 (per annum)	x 2.50 Yrs.	684,543		
d) Title Insurance and Recording Expenses		203,701		
e) HMFA Non Amortizing Debt Fee- 2 pts	2.00% on $ 48,757,959	975,159		
f) HMFA Issuance Fee- 50 bp	0.50% on $ 60,510,254	302,551		
g) HMFA 1st Year Upfront Admin Fee-50bp	0.50% on $ 11,752,295	58,761		
h) HMFA 1st Year Upfront Annual Fee-25bp	on $			
i) HMFA 1st Year Upfront Annual Fee-10bp	on $			
j) Misc Bond Issuance Fee		5,000		
k) Trustee Fee & Trustee Council Fee		5,000		
l) Bond Counsel Fee		35,000		
m) SNHTF Financing Fee	3.00% on $			
n) Other Lender Construction Financing Fee		1,820,486		
o) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the	525,000		
p)Negative Arbitrage **(if Bonds are sold during Construction)**	time the Development is under construciton, these costs		**(ESTIMATE)**	
q) Cost of Issuance **(If Bonds are sold during Construction)**	should be accounted for during the construction period.		**(ESTIMATE)**	
r) Furniture, Fixtures & Equiptment (F,F&E)		273,817		
s) Utility Connection Fees				
	Total Carrying/Fin. Costs as % of Total Project Costs: 73.32%			8,617,366
H. Working Capital Escrow				
a) Debt Service & Operating Expenses				
b) Rental Agent Rent-up Fee (during Rent-up)				
c) Advertising and Promotion (during Rent-up)				
I. Other Escrows				
a) Insurance (1/2 YR.)				$
b) Taxes (1 Qtr.)				$
c) Debt Service Payment & Servicing Fee for 1 Month				$
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months				$
e) Repair & Replacement Reserves				$
f) HMFA Operating Deficit Reserve				$
g) Othe Syndicator Reserve				$ 1,783,425
h) Other:	**Total Escrows as a % of Total Project Costs: 1.58%**			$

3. USES OF FUNDS DURING CONSTRUCTION: $ **111,802,069**

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage): $ (0)

5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT:

		Notes/Memo		
a)	LIHTC Equity (170)		$	6,158,244
b)	Aspire Program (177)	Issued over 10 years	$	26,343,191
c)			$	
d)			$	
e)			$	
f)			$	
	TOTAL SOURCES FOR PERMANENT CLOSE-OUT:		$	32,501,435

6. USES of FUNDS FOR PERMANENT Close-out:

A. DEVELOPER'S FEE:		$	254,989
B. CONSTRUCTION LOAN PAYOFF		$	32,246,446
C. Negative Arbitrage " **(ESTIMATE)**		$	
D. Cost of Issuance " **(ESTIMATE)**	**" Non-eligible costs in TC basis**	$	
E. Tax Credit Fees		$	
F. Other:		$	
7. TOTAL of NUMBER 6 A-F ABOVE:	**Total Costs at Perm. Closeout as % of Total Project Costs:**	$	**32,501,435**
8. BALANCE NEEDED TO CLOSE (overage / shortage):		$	
9. TOTAL PROJECT COSTS		$	**113,021,018**
10. MAXIMUM MORTGAGE LOAN	10.40 % of Item 10	$	11,752,295

11. 55% of Basis Test:

Aggregate Basis:	**$**	**110,018,644**
55% of Basis (estimated):		**60,510,254**
Less 1st Mtg., 1st Note:		11,752,295
Equals 1st. Mtg., 2nd Note Needed:		**48,757,959**

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE)

							List Source
		Principal	$	48,757,959		$ 29,383,233	LIHTC Equity (170)
Interest @ 5.00%	(6) mos.		$	1,218,949		$ $11,406,475	LIHTC Equity (170)
						$ 9,187,200	Additional Funding (194)
		Total	$	49,976,908	Total	$ 49,976,908	
						$ 0	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________ By: ______________________

(Developer or Authorized Signatory) NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: 10 Park Place Newark LLC
Dev. Name: 10 Park Place

HMFA# 07999
Prepared by: Chalyn Toon — 04/14/25
Reviewed by:
(Director of Asset Management) — Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	12,000
Telephone	16,070
Dues & Sub.	12,000
Postage	12,000
Insp. & Other Fees	12,000
Advertising	58,800
Legal Services	20,000
Auditing (Year End)	13,840
Soc. Serv. Suppl.	
Misc. Adm. Expenses	12,000
Bookkeeping/Accounting and/or Computer Charges	13,440
Other:	
TOTAL $	182,150

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	1.00	65,539
Janitorial	1.00	30,000
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin	1.50	112,500
Maintenance	1.50	40,000
Other Salaries:		
Empl. Benefits		49,608
Empl. Payroll Taxes		24,804
Worker's Comp.		5,000
Other:		
TOTAL $	5.00	327,451

III. MAINTENANCE AND REPAIRS

Masonary	5,000
Carpentry	5,000
Plumbing	10,000
Electrical	10,000
Kitchen Equipment	5,000
Elevator	15,000
Windows & Glass	5,000
Vehicles & Equip.	
Snow Removal	20,000
Grounds & Landscaping	10,000
Paint & Dec. Supl.	7,800
Small Equip. & Tools	5,000
Janit. Sup. & Tools	5,000
HVAC Supplies	5,000
Misc. Maint. Suppl.	
Other:	
TOTAL $	107,800

IV. MAINTENANCE CONTRACTS

Security	40,933
Elevator	14,000
Rubbish Removal	
Heating & AC Maint.	10,000
Grounds, Parking & Landscaping	10,000
Exterminating	10,000
Cyclical Apt. Painting	22,867
Other:	
TOTAL $	107,800

V. UTILITY EXPENSE

Water Charges	40,000
Sewer Charges	40,000
Electricity	135,600
Gas	
Fuel	
Less Solar Energy Savings	
TOTAL $	215,600

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	$	2,509,247
Less Vacancy	(-)	125,462
Less Utilities (if applicable)	(-)	215,600
Gross Sheltered Rents	$	2,168,185
x Rate	x	5.00 %
Real Estate Taxes	$	108,409

OR ACTUAL TAXES IF NO P.I.L.O.T.:

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount 11,752,295 | HMFA # 07999
Mortgage Interest Rate 5.40 % | Prepared by: Chalyn Toon | 04/14/25
Term (years) 35 Yrs. **The Interest rate has been** | Reviewed by:
Amortization (Y,S,M) m **reduced by:** ____ **basis points** | Date
FMR Area Essex (13) **as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.**

Date of Income Limits Chart Used: 4/1/24
Date of Utility Chart Used: 9/1/24

ANTICIPATED GROSS RENTS

	No. of Bedrooms	No. of Units	% AMI	Gross Rent	Subsidy Type, if applicable	Subsidy Amount	Allowance for Tenant Paid Utilities***	Net Rent	Monthly
	Studio	3	30% AMI	685			109	576	1,727
	Studio	3	20% AMI	457			109	348	1,043
	1 BR	16	30% AMI	734			139	595	9,512
	2BR	3	30% AMI	880			180	700	2,099
	3 BR	2	20% AMI	678			223	455	910
	Studio	10	47.5% AMI	1,084			109	975	9,750
	Studio	10	37.5% AMI	856			109	747	7,469
	1 BR	42	47.5% AMI	1,161			139	1,022	42,924
	2 BR	5	47.5% AMI	1,393			180	1,213	6,065
	3 BR	3	47.5% AMI	1,610			223	1,387	4,160
	Studio	13	57.5% AMI	1,312			109	1,203	15,639
	Studio	14	47.5% AMI	1,084			109	975	13,650
	1 BR	58	57.5% AMI	1,406			139	1,267	73,478
	2BR	8	57.5% AMI	1,686			180	1,506	12,048
	3 BR	5	57.5% AMI	1,949			223	1,726	8,630
Super's Apt.*	Studio	1							
	TOTALS	**196**				**Monthly Rents:**	**209,104**		

Anticipated Annual Rents: **2,509,247**

* Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put $0 in the Rent column.
** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income. **NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.**
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom
*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) **Equipment:**

Equipment	
Ranges	x
Refrigerator	x
Air Conditioning	x
Laundry Facilities	x
Disposal	
Dishwasher	
Carpet	
Drapes	
Swimming Pool	
Tennis Court	
Other:	

(b) **Services:**

Services	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Heat	e	i	x
Hot Water	e	i	x
Cooking	e	i	x
Air Conditioning	e	i	x
Household Electric		i	x
Water			
Sewer			
Parking			
Other:			
Other:			

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart		**Utility Company Estimates**	
HUD Utility Schedule Model		**Energy Consumption Model**	

COMMERCIAL SPACE
(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: 10 Park Place Newark LLC | HMFA# 07999
Prepared by: Chalyn Toon | 04/14/25
Dev. Name: 10 Park Place | Reviewed by:
(Director of Asset Management - Expenses Only) | Date

RENTAL INCOME

Apartment Rents		$	2,509,247
Vacancy Loss	(5.00 %)	-	125,462
NET APT. RENTS			2,383,785
Commercial Income	per Sq. Ft.	$	
Garage & Parking	per Sq. Ft.		
Commercial Vacancy	%		
NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME		$	2,383,785

OTHER INCOME

Laundry Machines		$	
Other:			
TOTAL OTHER INCOME		$	
TOTAL REVENUE			$ **2,383,785**

EXPENSES

Administrative	(Schedule I)	$ 182,150		
Salaries	(Schedule II)	327,451		
Maint. & Repairs	(Schedule III)	107,800		
Maint. Contracts	(Schedule IV)	107,800		
Utilities	(Schedule V)	215,600		
Management Fee	57.40 per unit	135,000	* Should be between $57 & $73 per unit per month	
P.I.L.O.T. on Commercial Income(	%)			
Real Estate Taxes	(Schedule VI)	108,409		
Insurance	$896 per Unit	175,616	**2-Story & below - $500; 3-Story & above - $550**	
Reserve for Repair and Replacement	490.00 per unit	96,040		
TOTAL EXPENSES				$ **1,455,866**

NET OPERATING INCOME			$ **927,919**
DEBT SERVICE			
1. Principal and Interest		$ 748,125	
2. Mortg & Bond Serv Fee	0.50 %	58,761	
3. MIP	%		
4. Debt Service on Other Mortgage Loans	$	$	
AGENCY DEBT SERVICE		$ 806,886	
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$	
TOTAL DEBT SERVICE			$ 806,886
NET INCOME			$ **121,033**
Less Return on Equity	(% on $	)	- $
Project Profit/(Loss)			$ **121,033**

DEBT SERVICE RATIO CALCULATION :

DSR = NET OPERATING INCOME / AGENCY DEBT SERVICE = **1.15000**

New Mortgage Amount

11,752,295

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT: 10 Park Place
HMFA #: 07999
LOAN OFFICER: Chalyn Toon
DATE: 4/14/25

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
Studio	3	561	685	0	109	576	1,727	20,727
Studio	3	455	457	0	109	348	1,043	12,510
1 BR	16	663	734	0	139	595	9,512	114,144
2BR	3	929	880	0	180	700	2,099	25,191
3 BR	2	1,101	678	0	223	455	910	10,914
0	0	0	0	0	0	0	0	0
Studio	10	561	1,084	0	109	975	9,750	117,000
Studio	10	455	856	0	109	747	7,469	89,632
1 BR	42	663	1,161	0	139	1,022	42,924	515,088
2 BR	5	929	1,393	0	180	1,213	6,065	72,776
3 BR	3	1,163	1,610	0	223	1,387	4,160	49,919
0	0	0	0	0	0	0	0	0
Studio	13	561	1,312	0	109	1,203	15,639	187,668
Studio	14	455	1,084	0	109	975	13,650	163,800
1 BR	58	663	1,406	0	139	1,267	73,478	881,742
2BR	8	929	1,686	0	180	1,506	12,048	144,576
3 BR	5	1,163	1,949	0	223	1,726	8,630	103,560
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
Studio	1	453	0	0	0	0	0	0
Total	196							2,509,247

Annual % of Rent Increase:	3.00%	
Annual Expense Increase:	4%	
Vacancy:	5.00	$125,462
Commercial Rent Increase:		
Commercial Vacancy:	0.00 %	

Permanent Mortgage (1st Note)		11,752,295
Interest Rate:		5.40
Term:		35
Annual Payment:		748,125
Servicing Fee:	0.500	58,761
MIP:	0.000	0

2nd Note/Mortgage (Amortizing)		
Interest Rate:		0.000000
Term in Years:		0
Annual Payment:		$0.00
Servicing Fee:		$0
		$0

FRM-CDBG	0
Interest Rate Annually:	
First Years Balance:	0

PILOT Calculation	Year 1	
Rental Income		
Gross Rental Income	2,509,247	
Less: Vacancy	-125,462	
Net Rental Income	2,383,785	
Less: Owner-pd Utilities	-215,600	
Basis for PILOT Calc.	2,168,185	
PILOT Rate	5.00	
PILOT Payment Estimate	$108,409	
Commercial:		**Square Ft.**
Gross Commercial Income	0	64,195
Less: Vacancy	(0.00)	
Net Commercial Income	0	
PILOT Rate	0.00%	
PILOT Payment Estimate	0	

Commercial $/sq. ft. $0

DEVELOPMENT: 10 Park Place
HMFA #: 07999
LOAN OFFICER: Chalyn Toon
DATE: 4/14/25

PROJECTIONS	%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
RENTAL INCOME												
Apartment Rents		2,509,247	2,584,524	2,662,060	2,741,922	2,824,180	2,908,905	2,996,172	3,086,057	3,178,639	3,273,998	3,372,218
Less Vacancy Loss	5 %	-125,462	-129,226	-133,103	-137,096	-141,209	-145,445	-149,809	-154,303	-158,932	-163,700	-168,611
NET APT. RENTS		2,383,785	2,455,298	2,528,957	2,604,826	2,682,971	2,763,460	2,846,363	2,931,754	3,019,707	3,110,298	3,203,607
Commercial Income	$0	0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0.00	0	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS		0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:		**2,383,785**	**2,455,298**	**2,528,957**	**2,604,826**	**2,682,971**	**2,763,460**	**2,846,363**	**2,931,754**	**3,019,707**	**3,110,298**	**3,203,607**
OTHER INCOME												
Laundry Machines	$0	0	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME		0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE		2,383,785	2,455,298	2,528,957	2,604,826	2,682,971	2,763,460	2,846,363	2,931,754	3,019,707	3,110,298	3,203,607
OPERATING EXPENSES	Yearly Per Unit Cost											
Administrative	$929	182,150	189,436	197,013	204,894	213,090	221,613	230,478	239,697	249,285	259,256	269,626
Salaries and Benefits	$1,671	327,451	340,549	354,171	368,338	383,071	398,394	414,330	430,903	448,139	466,065	484,707
Maintenance & Repairs	$550	107,800	112,112	116,596	121,260	126,111	131,155	136,401	141,857	147,532	153,433	159,570
Maintenance Contracts	$550	107,800	112,112	116,596	121,260	126,110	131,155	136,401	141,857	147,531	153,433	159,570
Utilities	$1,100	215,600	224,224	233,193	242,521	252,222	262,310	272,803	283,715	295,063	306,866	319,141
Management Fee 57.40	$135,000	135,000	139,050	143,222	147,518	151,944	156,502	161,197	166,033	171,014	176,144	181,429
PILOT on Housing 5.00	$553	108,409	111,554	114,788	118,115	121,537	125,057	128,678	132,402	136,232	140,172	144,223
Insurance	$896	175,616	182,641	189,946	197,544	205,446	213,664	222,210	231,099	240,343	249,956	259,955
Replacement Reserves	$490	$96,040	96,040	96,040	96,040	96,040	96,040	96,040	96,040	96,040	96,040	96,040
PILOT on Comm.	$0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		1,455,866	1,507,717	1,561,566	1,617,490	1,675,571	1,735,891	1,798,538	1,863,603	1,931,179	2,001,365	2,074,261
Total Per Unit Cost		7,428	7,692	7,967	8,253	8,549	8,857	9,176	9,508	9,853	10,211	10,583
Expense/Income Ratio		0.61	0.61	0.62	0.62	0.62	0.63	0.63	0.64	0.64	0.64	0.65
INCOME AVAIL. FOR DEBT		927,919	947,581	967,391	987,335	1,007,400	1,027,569	1,047,825	1,068,151	1,088,528	1,108,933	1,129,346
Debt Service-1st Mortgage		806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886
Debt Service-2nd Note/Mortgage (amortizing)		0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886
Debt Service Ratio		1.15	1.17	1.20	1.22	1.25	1.27	1.30	1.32	1.35	1.37	1.40
DSR from Operations and Reserve		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service		121,033	140,695	160,505	180,449	200,514	220,682	240,939	261,265	281,641	302,047	322,460
	%	0	0	0	0	0	0	0	0	0	0	0
	%	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow		121,033	140,695	160,505	180,449	200,514	220,682	240,939	261,265	281,641	302,047	322,460
											2,109,771	
OPERATING RESERVE:												
Beginning Reserve Balance			0	0	0	0	0	0	0	0	0	0
Interest Income		0	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow		0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance		0	0	0	0	0	0	0	0	0	0	0

PROJECTIONS	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
RENTAL INCOME										
Apartment Rents	3,473,385	3,577,586	3,684,914	3,795,461	3,909,325	4,026,605	4,147,403	4,271,825	4,399,980	4,531,979
Less Vacancy Loss	-173,669	-178,879	-184,246	-189,773	-195,466	-201,330	-207,370	-213,591	-219,999	-226,599
NET APT. RENTS	3,299,715	3,398,707	3,500,668	3,605,688	3,713,859	3,825,274	3,940,033	4,058,234	4,179,981	4,305,380
Commercial Income	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**3,299,715**	**3,398,707**	**3,500,668**	**3,605,688**	**3,713,859**	**3,825,274**	**3,940,033**	**4,058,234**	**4,179,981**	**4,305,380**
OTHER INCOME										
Laundry Machines	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	3,299,715	3,398,707	3,500,668	3,605,688	3,713,859	3,825,274	3,940,033	4,058,234	4,179,981	4,305,380
OPERATING EXPENSES										
Administrative	280,412	291,628	303,293	315,425	328,042	341,164	354,810	369,002	383,763	399,113
Salaries and Benefits	504,096	524,260	545,230	567,039	589,721	613,310	637,842	663,356	689,890	717,485
Maintenance & Repairs	165,953	172,591	179,495	186,675	194,142	201,907	209,984	218,383	227,118	236,203
Maintenance Contracts	165,953	172,591	179,494	186,674	194,141	201,907	209,983	218,382	227,118	236,202
Utilities	331,906	345,183	358,990	373,349	388,283	403,815	419,967	436,766	454,237	472,406
Management Fee	186,872	192,478	198,252	204,200	210,326	216,635	223,134	229,828	236,723	243,825
PILOT on Housing	148,390	152,676	157,084	161,617	166,279	171,073	176,003	181,073	186,287	191,649
Insurance	270,353	281,167	292,414	304,110	316,274	328,925	342,082	355,766	369,996	384,796
Replacement Reserves	96,040	96,040	96,040	96,040	96,040	96,040	96,040	96,040	96,040	96,040
PILOT on Comm.	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	2,149,974	2,228,613	2,310,292	2,395,129	2,483,248	2,574,776	2,669,846	2,768,597	2,871,172	2,977,720
Total Per Unit Cost	10,969	11,370	11,787	12,220	12,670	13,137	13,622	14,125	14,649	15,192
Expense/Income Ratio	0.65	0.66	0.66	0.66	0.67	0.67	0.68	0.68	0.69	0.69
INCOME AVAIL. FOR DEBT	1,149,741	1,170,094	1,190,376	1,210,559	1,230,611	1,250,499	1,270,186	1,289,637	1,308,809	1,327,660
Debt Service-1st Mortgage	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886
Debt Service-2nd Note/Mortgage (amortizing)	0	0	0	0	0	0	0	0	0	0
Total Debt Service	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886
Debt Service Ratio	1.42	1.45	1.48	1.50	1.53	1.55	1.57	1.60	1.62	1.65
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	342,855	363,208	383,490	403,673	423,725	443,612	463,300	482,750	501,923	520,774
%	0	0	0	0	0	0	0	0	0	0
%	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow	342,855	363,208	383,490	403,673	423,725	443,612	463,300	482,750	501,923	520,774
				3,925,456						
OPERATING RESERVE:										
Beginning Reserve Balance	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0	0	0	0

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
4,667,938	4,807,977	4,952,216	5,100,782	5,253,806	5,411,420	5,573,763	5,740,975	5,913,205
-233,397	-240,399	-247,611	-255,039	-262,690	-270,571	-278,688	-287,049	-295,660
4,434,542	4,567,578	4,704,605	4,845,743	4,991,116	5,140,849	5,295,074	5,453,927	5,617,545
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
4,434,542	**4,567,578**	**4,704,605**	**4,845,743**	**4,991,116**	**5,140,849**	**5,295,074**	**5,453,927**	**5,617,545**
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
4,434,542	4,567,578	4,704,605	4,845,743	4,991,116	5,140,849	5,295,074	5,453,927	5,617,545
415,078	431,681	448,948	466,906	485,582	505,005	525,206	546,214	568,062
746,185	776,032	807,074	839,357	872,931	907,848	944,162	981,928	1,021,206
245,651	255,477	265,696	276,324	287,377	298,872	310,827	323,260	336,191
245,650	255,476	265,696	276,323	287,376	298,871	310,826	323,259	336,190
491,302	510,954	531,393	552,648	574,754	597,744	621,654	646,520	672,381
251,140	258,674	266,434	274,427	282,660	291,140	299,874	308,870	318,136
197,162	202,831	208,661	214,655	220,818	227,155	233,671	240,370	247,258
400,188	416,196	432,843	450,157	468,164	486,890	506,366	526,620	547,685
96,040	96,040	96,040	96,040	96,040	96,040	96,040	96,040	96,040
0	0	0	0	0	0	0	0	0
3,088,396	3,203,362	3,322,784	3,446,837	3,575,702	3,709,567	3,848,626	3,993,083	4,143,149
15,757	16,344	16,953	17,586	18,243	18,926	19,636	20,373	21,139
0.70	0.70	0.71	0.71	0.72	0.72	0.73	0.73	0.74
1,346,145	1,364,216	1,381,821	1,398,906	1,415,413	1,431,282	1,446,449	1,460,844	1,474,396
806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886
0	0	0	0	0	0	0	0	0
806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886	806,886
1.67	1.69	1.71	1.73	1.75	1.77	1.79	1.81	1.83
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
539,259	557,330	574,935	592,020	608,527	624,396	639,563	653,958	667,509
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
539,259	557,330	574,935	592,020	608,527	624,396	639,563	653,958	667,509
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A DECLARATION OF INTENT FOR THE PROJECT KNOWN AS THE CROSSINGS AT BRICK CHURCH STATION 1B, HMFA #08003

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

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Laura Shea
Assistant Secretary

Exhibit A

The Crossings at Brick Church Station 1B **May 1, 2025**
East Orange, Essex County
HMFA #08003
Developer: Triangle Equities Development Inc.
# of Units: 420
Population: Family

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a “Declaration of Intent” stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $35,171,000 in construction and permanent financing for a project known as The Crossings at Brick Church Station 1B, HMFA #08003 (the “Project”). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the “Original Expenditures”) associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the “Reimbursement Regulations”) promulgated under the Internal Revenue Code of 1986, as amended (the “Code”).

1. The Project will be a qualified residential rental project within the meaning of Code Sections 142(a)(7) and 142(d) and related Treasury Regulations. A brief, general description of the Project is set forth below.

2. The Original Expenditures to be reimbursed with the proceeds of the Bonds will be “capital expenditures” as defined in Treas. Reg. Section 1.150-1(b), costs of issuance for the Bonds, and/or expenditures described in Treas. Reg. Section 1.148-6(d)(3)(ii)(B) (relating to certain extraordinary working capital items).

3. Pursuant to the Reimbursement Regulations, with respect to each Original Expenditure to be reimbursed with proceeds of the Bonds, either (i) the date of the declaration of official intent is not later than 60 days after the payment of the Original Expenditure, or (ii) if the date of the declaration of official intent is more than 60 days after the payment of the Original Expenditure, the Original Expenditure must be a preliminary, pre-construction expenditure as described in Treas. Reg. Section 1.150-2(f)(2) and the total amount of such preliminary expenditures to be reimbursed with proceeds of the Bonds cannot exceed 20% of the proceeds of the Bonds.

4. This Request for Action expresses the Board's declaration of intent only. It does not authorize the Agency to issue the Bonds, which issuance may only be authorized by subsequent action adopted in accordance with law. The ability of the Project to conform to the Conduit Bond Program, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this Project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this Project any preference over any other project.

5. The following is a brief, general description of the Project based on current expectations regarding the Project:

The Project

The Project involves the new construction of a 420-unit nine-story high rise building located at 533 Dr. MLK JR Blvd & 15-33 Halsted Street, Block 683; Lots 1, 1.01, 4.01, 4.02, and 5. Of the 420 total units, 336 units will be market rate units and 84 units will be affordable units.

The Project is the second phase to a project currently in the HMFA pipeline known as The Crossings at Brick Church Station, HMFA #07791. The first phase is located between South Harrison and Halsted Streets and construction is approximately 90% complete as of April 2025. The first phase includes 400 apartment units, 87,000 square feet of grocery-anchored retail, a 7-story parking garage, and a surface parking lot.

The Project is the residential portion of the development. A separate retail space will be financed separately from the Project. The retail space is anticipated to include a clothing store, as well as restaurants, office, and medical space.

The Project is located adjacent to NJ Transit's Brick Church Station, offering express service to New York Penn Station and Newark Broad Street Station. It also provides connections to five different bus lines. Bike racks installed in the pedestrian promenade will enhance micro-mobility and complement bike lanes to be installed by the City of East Orange on Main Street. There will not be any parking spaces due to the Project being located in a transit community.

The Project will feature a total of 432,238 square feet. This portion will include 82 Studio units with 552 average sq. ft., 16 one-bedroom units with 613 average sq. ft, 128 one-bedroom units with 728 average sq. ft, 26 one-bedroom units with 709 average sq. ft, 37 two-bedroom units with 1,065 average sq. ft, 51 two-bedroom units with 942 average sq. ft, 63 two-bedroom units with 1,140 average sq. ft, and 17 three-bedroom units with 1,164 average sq. ft.

There will be a total of eighty-four (84) affordable units to households with incomes between 30% and 47.5% AMI. The proposed net rents for the sixteen (16) one-bedroom units ranges from $577-$1,005, fifty-one (51) two-bedroom units ranges from $678-$1,191, seventeen (17) three-bedroom units ranges from $767-$1,360. The remaining 336 units will be market rate units. There will be 82 studio units with a net rent of $2,250, 153 one-bedroom units with a net rent of $2,500, and 100 two-bedroom units with a net rent of $3,200.

One (1) one-bedroom unit will be used as a rent-free super-intendent unit. The Project will also include a community room.

The Project will use electric heat, hot water, cooking and air conditioning, which will be individually metered and paid by the tenant. Water and Sewer will be master metered and paid by the Project.

The Property will be managed by Bozzuto Management.

The Project is seeking 4% Low-Income Housing Tax Credits. For tax credit purposes, the Sponsor will select the 20% at 50% set aside of AMI option.

Conduit Financing Structure

Issuer of Bonds – New Jersey Housing and Mortgage Finance Agency

Issuer's Bond Counsel – To Be Determined

Trustee – U.S. Bank Trust Company, National Association; The Agency will assign mortgage to Trustee US Bank

Credit Enhancement – GNMA collateralized using FHA Section 220 and cash collateralized using non bond proceeds.

Servicer on Behalf of Credit Enhancement Entity – JLL Real Estate Capital, LLC

Borrower – Brick Church Urban Renewal VI LLC

Bond Underwriter - Stifel, Nicolaus & Company, Incorporated

Tax Credit Investor – PNC Bank

Agency Financing

The Agency will provide construction and permanent financing from the Conduit Bond Program. This loan will be evidenced by two mortgage notes. Note I is anticipated to be in the amount of $9,876,189 at an estimated interest rate of 6.00% (inclusive of the estimated tax-exempt rate of 6.00%, and Agency's annual administrative fee of 0.50 %). The term of the loan will be 40 years with an amortization period of 40 years. The loan will be secured by a first mortgage lien on the property.

In order to meet the 55% aggregate basis test, as required by the Agency's underwriting guidelines, Note II must be funded through bond proceeds in an amount anticipated to be $19,432,879 at an estimated interest rate of 6.00%, with a maturity date of 36 months from the date of loan closing. Note II will be additionally secured by proceeds from the NDH Capital Corporation Aspire Bridge loan.

<u>DOI Conditions:</u>

1. The Borrower has not justified to the Agency's satisfaction the reasonableness of the total development costs. Therefore, the Agency reserves the right to require that the Borrower provide a quantitative analysis and justification of the costs or the Agency will commission an independent analysis to confirm the cost, with the Sponsor paying for that analysis.

2. The borrower must conclusively demonstrate that this project is permitted to receive an allocation of LIHTC in accordance with Section 19 of P.L. 2008, c. 46, N.J.S.A. 52:27D-321.1 (A500 ACS) and is subject to an Inclusionary review, feasibility analysis and determination of LIHTC eligibility prior to the project proceeding to a mortgage commitment.

3. Further HMFA approval is subject to approval by New Jersey's Economic Development Authority's ("EDA") revision of the Aspire Program's eligibility period, during which a developer may claim a tax credit under the program, from 10 years to 5 years. The project will not advance to the HMFA board for consideration of a commitment until EDA's new rule revising the eligibility period for the Aspire award has been approved.

Exhibit A

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$30,000,000	($71,429/DU)	($69/SF)
Construction Costs (Including Contractor Fee)	$156,477,301	($372,565/DU)	($362/SF)
Contingencies	$8,758,029	($20,852/DU)	($20/SF)
Developer Fee	$23,219,745	($55,285/DU)	($54/SF)
Professional Fees	$3,973,312	($9,460/DU)	($9/SF)
Carrying Financing Costs	$13,585,694	($32,347/DU)	($31/SF)
Other Charges	$11,244,623	($26,773/DU)	($26/SF)
TOTAL DEVELOPMENT COST	$247,258,702	($588,711/DU)	($572/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage, Note I	$9,876,189	($23,515/DU)
LIHTC Equity ($.90)	$14,859,431	($35,380/DU)
PNC Bank, National Association		
JLL Real Estate Capital, LLC	$79,500,000	($189,286/DU)
Goldman Sachs Joint Venture Equity	$22,299,506	($53,094/DU)
Sponsor Equity	$4,057,677	($9,661/DU)
ASPIRE Payoff (Meridian)	$108,077,574	($257,328/DU)
Deferred Developer Fee	$8,588,325	($20,448/DU)
TOTAL PROPOSED PERMANENT SOURCES	$247,258,702	($588,711/DU)

REPAYMENT OF HMFA NOTE II PLUS INTEREST (And/or any Construction Bridge Loan).

HMFA Note II	$19,432,879	($46,269/DU)
Note II Interest	$582,986	($1,388/DU)
TOTAL HMFA Note II	$20,015,865	($47,657/DU)

LESS PROPOSED SOURCES

NDH Capital Corporation Aspire Bridge loan $20,015,865

TOTAL SOURCES PROPOSED $20,015,865

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY CONDUIT BOND PROGRAM
SCHEDULE 10-A: PROJECT DESCRIPTION CONSTRUCTION (ONLY) AND CONSTRUCTION& PERMANENT LOANS

		Date Action Taken		
X	Inducement	5/1/25		
	Commitment		Indicate Closing Type By Date	
	Re-Commitment		Special Needs:	
	Mtg. Extension		Other:	
	Bond Sale		Other:	
	Closing		Other:	

HMFA#: 08003
Date: 4/11/25
Prepared by: Michael Elia
Reviewed by:

Project Name: The Crossings at Brick Church Station 1B

Project Street Address	City	State	Zip Code:
533 Dr. MLK JR Blvd & 15-33 Halsted St	East Orange	NJ	07018

Municipality: East Orange City (119)
County: Essex (13)

List Block followed by corresponding Lot and separated by a comma
Note # Only one Block and one lot per cell **Example:** 31,3.05

683, 1	683, 5			
683, 1.01				
683, 4.01				
683, 4.02				

Amortization Period:	40
Term of Mortgage (in years):	40
Construction Interest Rate	6.00%
Principle and Interest Rate	6.00%
Credit Enhancement Rate/Fee)	
Private Lender Fee/Rate:	
HMFA Annual Admin Fee	0.50%
Stacked Rate/Total:	6.50%

Type of Development
(Select either Family or Senior Citizens (NOT BOTH))

Family	x
Senior Citizens	

Provide the following:

Legislative District:	District 34 (34)
Congressional District:	District 10 (10)
Census Tract:	113.00
No. of dwelling units	420
No. of occupied units	
Special Needs Units	
Special Needs Population	
Construction Term	27 (mos.)
Rent-up Period	12 (mos.)

Type of Construction

New Construction	x
Modular	
Moderate Rehabilitation	
Substantial Rehab.	
Conversion	
Rehabilitation/Occupied	
Historic	

QCT	N
Smart Growth	Y
Planning Area:	Urban
	(designate area)

Parking

Total Number of Parking Spaces:
Ratio of parking to D.U.'s : 1

Type of Financing

Tax Exempt	x
Taxable	

Tax Credits — Check One

4%	x
9%	
Historic	

Affordability — Check One

** 40% AT 60%	
*** 20% AT 50%	x
Income Averaging	

Type of Loan

Construction Loan Only	
Construction & Permanent Loan	x
Permanent Loan Only	

ENTER DOLLAR AMOUNT

Type of Subsidy

Special Needs Program Funds	$
FRM-CDBG	$
Amt. Of FRM-CDBG/Unit:	
Money Follows the Person	$
Fire Supression	$
Other	$
Other	$

Cost Summary

Cost of Land and/or Improvements	$71,429	per DU	$69	per Sqft.
Construction Cost	$372,565	per DU	$362	per Sqft.
Total Project Cost	$588,711	per DU	$572	per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Average Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
High	1	9	Studio	552	82	45,264
			1	613	16	9,808
			1	728	128	93,184
			1	709	26	18,434
			2	1,065	37	39,405
			2	942	51	48,042
			2	1,140	63	71,820
			3	1,164	17	19,788
Basement/Crawl Space						
****Garage Parking						
Commercial Space						
Common/Other Space	Hallways & Amenities					86,493

Total Project Cost	$247,258,702
Minus Eligible Costs:	
Reserves	$9,537,368
Req Deferred Developer Fee	$8,599,798
Non Basis Off Site Improvements	
=	$229,121,536
Cost Per DU	$545,527

Type of Enhancement

FHA, Fannie, Freddie	FHA 220
Ginny Mae, LOC	

Type of Purchase

Public, Direct, Private	Public

Expiration Year of Current Subsidy/Mtg

Section 8, Section 236 Project	
Year Current Mtg Expires	
Year Current HAP or IRP Expires	
HMFA Portfolio	

Totals: 1 Buildings UNITS: 420 | 432,238 Sq. Ft.

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.
****Includes only parking beneath the building and/or parking structure

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

HMFA# 08003

X	Inducement	Prepared by:	Michael Elia
	Commitment	Reviewed by:	
	Re-Commitment		**Director of Technical Services**
	Bond Sale		Date
	Closing		**Director of Multifamily**
			Date
			Managing Director of Multifamily
			Chief of Multifamily

1. SOURCES OF FUNDS DURING CONSTRUCTION:

		Enter total Amt. of Grant/Loan Here	Notes/Memo	
a)	HMFA 1st. Mortgage, NOTE I	N/A		$ 9,876,189
b)	HMFA 1st. Mortgage, NOTE II			$ 19,432,879
c)	Other Lender Construction Loan (4)	$89,376,189	on 220 (JLL Real Estate Capital, LLC)	$ 79,500,000
d)	LIHTC Equity (170)	$14,859,431	PNC Install 1 @ Closing	$ 2,971,886
e)	Equity Bridge Loan (29)	$10,401,602	PNC Bridge Loan	$ 10,401,602
f)	Sponsor Equity (171)		Goldman Sachs Joint Venture Equity / Spo	$ 26,357,183
g)	Aspire Program (177)	$108,077,574	Aspire Bridge (NDH)	$ 88,061,709
h)	**Deferred Developer's Fee**			$ 9,600,000
	TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			$ 246,201,448

2. USES of FUNDS DURING CONSTRUCTION:

			% of Cons't Cost OR Cost/Unit	
A. ACQUISITION COSTS:				
a) Land	@ ($ per Acre)	$ 30,000,000		
b) Building Acquisition	Should be between $15,000 & $25,000 per units			
c) Relocation				
d) Other:	Total Acquisition as a percent of Total Project Costs: 12.13%			30,000,000
B. CONSTRUCTION COSTS				
a) Demolition	NOTE: Payment and Performance bonds are required through the constı	$		
b) Off-site Improvements	and for a two-year period after the Certificate of Occupancy.			
c) Residential Structures (including all on-site improvement)		139,996,214		
d) Community Building				
e) Environmental Clearances				
f) Surety & Bonding	should be between .75% and 2% of Construction Costs	2,800,000	1.79%	
g) Building Permits		1,139,287		
h) Garage Parking	garage should be approx $15,000/space; parking lot around $700/space			
i) General Requirments	should be about 6% of construction costs	6,550,900	4.55%	
j) Contractor Overhead & Profit	should not exceed 8% of cons't costs total - usually 2% for Overhead and 6% for Profit	5,990,900	4.16%	
l) Other				
m) Other	Total Cons't Costs as a percent of Total Project Costs: 66.45%			156,477,301
C. DEVELOPERS FEE - CONSTR/REHAB	12.66% HMFA Policy is that the Developer fee is earned as a percentage of construction completion.	23,219,745		
DEVELOPERS FEE - BUILDING	Non-Deferred Amt: $14,631,420 8.00%			23,219,745
D. CONTINGENCY	*Non-Deferred Amt on Building Acq Not to Exceeed 2% :*			
a) Hard Costs	5.000% 5% for New Construction & 10% for Rehabilitation	7,823,865		
b) Soft Costs	5.000% should be a Maximum of 5%	934,164		8,758,029
E. PROFESSIONAL SERVICES				
a) Appraisal & Market Study		$ 30,000		
b) Architect		2,265,703		
c) Site Engineer		607,121		
d) Attorney		965,000		
e) Cost Certification/Audit - should not exceed $35,000		35,000		
f) Environmental Consultant				
g) Historical Consultant				
h) Geotechnical Consultant		35,000		
i) Green Consultant				
j) Surveyor		35,488		
k) Professional Planner:				
l) Other	Total Professional fees as a % of Total Project Costs: 1.61%			3,973,312
F. PRE-OPERATIONAL EXPENSES *	* Non-eligible costs in TC basis			
a) Operator fees (pre-construction completion) *	Should Not Exceed $250.00	$		
b) Advertising and Promotion (pre-construction completion)*		300,000		
c) Staffing and Start-up Supplies (pre-construction completion)*		350,000		
d) Other: *				
e) Other: *	Total Pre Opt Costs as a % of Total Project Costs: 0.26%			650,000

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION (percentage of total development costs)

a) Interest @	6.0000 % for (27 mos.)	on $ 59,739,185	8,064,790	
b) R.E. Tax $	119,931 (per annum) x 2.25 Yrs.		269,844	
c) Insurance $	946,342 (per annum) x 2.25 Yrs.		2,129,270	
d) Title Insurance and Recording Expenses			607,107	
e) HMFA Non Amortizing Debt Fee- 2 pts	2.00%	on $ 19,432,879	388,658	
f) HMFA Issuance Fee- 50 bp	0.50%	on $ 29,309,068	146,545	
g) HMFA 1st Year Upfront Admin Fee-50bp	0.50%	on $ 9,876,189	49,381	
h) HMFA 1st Year Upfront Annual Fee-25bp		on $		
i) HMFA 1st Year Upfront Annual Fee-10bp		on $		
j) Misc Bond Issuance Fee			5,000	
k) Trustee Fee & Trustee Council Fee			5,000	
l) Bond Counsel Fee			35,000	
m) SNHTF Financing Fee	3.00%	on $		
n) Other Lender Construction Financing Fee			1,321,595	
o) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the		337,743	
p)Negative Arbitrage (**if Bonds are sold during Construction**)	time the Development is under construciton, these costs			(ESTIMATE)
q) Cost of Issuance (**If Bonds are sold during Construction**)	should be accounted for during the construction period.		225,761	(ESTIMATE)
r) Furniture, Fixtures & Equiptment (F,F&E)				
s) Utility Connection Fees				
	Total Carrying/Fin. Costs as % of Total Project Costs: 137.56%			13,585,694

H. Working Capital Escrow

a) Debt Service & Operating Expenses	
b) Rental Agent Rent-up Fee (during Rent-up)	
c) Advertising and Promotion (during Rent-up)	

I. Other Escrows

a) Insurance (1/2 YR.)	$
b) Taxes (1 Qtr.)	$
c) Debt Service Payment & Servicing Fee for 1 Month	$
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months	$ 599,749
e) Repair & Replacement Reserves	$
f) HMFA Operating Deficit Reserve	$
g) Oth HUD Working Capital / Replacement Reserves (funded by Goldman Sachs and Triangle Equities)	$ 3,575,048
h) Oth HUD Operating Deficit Reserve (funded by Goldman Total Escrows as a % of Total Project Costs: 3.86%	$ 5,362,571

3. USES OF FUNDS DURING CONSTRUCTION: $ **246,201,448**

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage): $ 0

5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT:		**Notes/Memo**	
a)	LIHTC Equity (170)	PNC Install 2 @ Stablization	$ 10,401,602
b)	LIHTC Equity (170)	PNC Install 3 @ 8609	$ 1,485,943
c)			$
d)	Aspire Program (177)	Aspire Credits (Meridian)	$ 108,077,574
e)			$
f)			$
	TOTAL SOURCES FOR PERMANENT CLOSE-OUT:		$ 119,965,119

6. USES of FUNDS FOR PERMANENT Close-out:

A. **DEVELOPER'S FEE:**			$ 1,011,675
B. **CONSTRUCTION LOAN PAYOFF**			$ 118,479,176
C. **Negative Arbitrage ^**	**(ESTIMATE)**		$
D. **Cost of Issuance ^**	**(ESTIMATE)**	**^ Non-eligible costs in TC basis**	$
E. Tax Credit Fees			$
F. **Other:**	Syndicator Operating Reserve $474,268 (funded by install#3)		$ 474,268
7. TOTAL of NUMBER 6 A-F ABOVE:		**Total Costs at Perm. Closeout as % of Total Project Costs:** **0.19%**	$ **119,965,119**
8. BALANCE NEEDED TO CLOSE (overage / shortage):			$ **(0)**
9. TOTAL PROJECT COSTS			$ **247,258,702**
10. MAXIMUM MORTGAGE LOAN		3.99 % of Item 10	$ 9,876,189

11. 55% of Basis Test:

Aggregate Basis:	**$ 235,788,319**	**Check each line item for Eligibility**
55% of Basis (estimated):	**129,683,575**	
Less 1st Mtg., 1st Note:	9,876,189	
Equals 1st. Mtg., 2nd Note Needed:	**119,807,386**	

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE)

					List Source
				$	
		Principal	$ 19,432,879	$ $20,015,865	Aspire Program (177)
Interest @ 4.00%	(9) mos.		$ 582,986	$	
		Total	$ 20,015,865	Total $ 20,015,865	
				$ (0)	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________ (Developer or Authorized Signatory)

By: ______________________ NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: Brick Church Urban Renewal VI LLC — HMFA# 08003
Dev. Name: The Crossings at Brick Church Station 1B — Prepared by: Michael Elia — 04/11/25
Reviewed by: (Director of Asset Management) — Date

I. ADMINISTRATIVE EXPENSE	
Stationery & Suppl.	16,000
Telephone	8,000
Dues & Sub.	40,000
Postage	10,000
Insp. & Other Fees	21,635
Advertising	126,000
Legal Services	32,000
Auditing (Year End)	18,925
Soc. Serv. Suppl.	
Misc. Adm. Expenses	50,000
Bookkeeping/Accounting	
and/or Computer Charges	13,440
Other:	
TOTAL $	336,000

II. SALARIES & RELATED CHARGES	# of Employees	Total Wages inc benefits
Superintendent	1.00	85,000
Janitorial	1.00	50,000
Grounds & Landscaping	4.00	110,000
Security		121,200
Social Services		8,000
Site Office & Admin	4.00	110,000
Maintenance	2.00	96,051
Other Salaries:	7.00	179,458
Empl. Benefits		75,000
Empl. Payroll Taxes		71,173
Worker's Comp.	2.00	18,118
Other:		
TOTAL $	21.00	924,000

III. MAINTENANCE AND REPAIRS	
Masonary	46,265
Carpentry	
Plumbing	8,225
Electrical	12,422
Kitchen Equipment	9,253
Elevator	
Windows & Glass	19,769
Vehicles & Equip.	
Snow Removal	51,406
Grounds & Landscaping	6,169
Paint & Dec. Supl.	101,120
Small Equip. & Tools	34,211
Janit. Sup. & Tools	
HVAC Supplies	92,207
Misc. Maint. Suppl.	121,590
Other:	
TOTAL $	502,637

IV. MAINTENANCE CONTRACTS	
Security	92,363
Elevator	40,000
Rubbish Removal	60,000
Heating & AC Maint.	60,000
Grounds, Parking & Landscaping	30,000
Exterminating	30,000
Cyclical Apt. Painting	49,000
Other:	
TOTAL $	361,363

V. UTILITY EXPENSE	
Water Charges	195,680
Sewer Charges	126,000
Electricity	182,320
Gas	
Fuel	
Less Solar Energy Savings	
TOTAL $	504,000

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT				
Gross Rents	$	11,775,696		
Less Vacancy	(-)	588,785		
Less Utilities (if applicable)	(-)	504,000		
Gross Sheltered Rents	$	10,682,911		
x Rate	x	4.23 %		ACTUAL TAXES
Real Estate Taxes	$	451,887	OR	IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	9,876,189		HMFA #	08003
Mortgage Interest Rate	6.00 %		Prepared by:	Michael Elia	04/11/25
Term (years)	40 Yrs.	**The Interest rate has been**	Reviewed by:	
Amortization (Y,S,M)	M	**reduced by:** ____ **basis points**			Date
FMR Area	Essex (13)	**as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.**		

Date of Income Limits Chart Used: 4/1/24
Date of Utility Chart Used: 9/1/24

ANTICIPATED GROSS RENTS

	No. of Bedrooms	No. of Units	% AMI	Gross Rent	Subsidy Type, if applicable	Subsidy Amount	Allowance for Tenant Paid Utilities***	Net Rent	Monthly
	1	2	30% AMI	733			156	577	1,154
	2	7	30% AMI	879			201	678	4,746
	3	2	30% AMI	1,016			249	767	1,534
	1	14	47.5% AMI	1,161			156	1,005	14,070
	2	44	47.5% AMI	1,392			201	1,191	52,404
	3	15	47.5% AMI	1,609			249	1,360	20,400
	Studio	82	Market	2,250				2,250	184,500
	1	127	Market	2,500				2,500	317,500
	1	26	Market	2,500				2,500	65,000
	2	63	Market	3,200				3,200	201,600
	2	37	Market	3,200				3,200	118,400
Super's Apt.*	1	1							
	TOTALS	**420**				**Monthly Rents:**	**981,308**		

Anticipated Annual Rents: **11,775,696**

* Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put $0 in the Rent column.

** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income.
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income

NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.

NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom

*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:

Equipment	
Ranges	x
Refrigerator	x
Air Conditioning	x
Laundry Facilities	x
Disposal	
Dishwasher	x
Carpet	x
Drapes	x
Swimming Pool	
Tennis Court	
Other:	

(b) Services:

Services	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Heat	e	I	x
Hot Water	e	I	x
Cooking	e	I	x
Air Conditioning	e	I	x
Household Electric		I	x
Water		mm	
Sewer		mm	
Parking			
Other:			
Other:			

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart	Y	**Utility Company Estimates**	
HUD Utility Schedule Model		**Energy Consumption Model**	

COMMERCIAL SPACE
(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: Brick Church Urban Renewal VI LLC — HMFA# 08003
Prepared by: Michael Elia — 04/11/25
Dev. Name: The Crossings at Brick Church Station 1B — Reviewed by:
(Director of Asset Management - Expenses Only) — Date

RENTAL INCOME

Apartment Rents		$ 11,775,696	
Vacancy Loss	(5.00 %) -	588,785	
NET APT. RENTS		11,186,911	
Commercial Income	per Sq. Ft.	$	
Garage & Parking	per Sq. Ft.		
Commercial Vacancy	10 %		
NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME		$ 11,186,911	

OTHER INCOME

Laundry Machines	$	
Other:		
TOTAL OTHER INCOME	$	
TOTAL REVENUE		$ **11,186,911**

EXPENSES

Administrative	(Schedule I)	$ 336,000
Salaries	(Schedule II)	924,000

Maint. & Repairs	(Schedule III)		502,637		
Maint. Contracts	(Schedule IV)		361,363		
Utilities	(Schedule V)		504,000		
Management Fee	79.37 per unit		400,000	* Should be between $57 & $73 per unit per month	
P.I.L.O.T. on Commercial Income(	4.23 %)				
Real Estate Taxes	(Schedule VI)		451,887		
Insurance	$650 per Unit		273,000	**2-Story & below - $500; 3-Story & above - $550**	
Reserve for Repair and Replacement	440.00 per unit		184,800		
TOTAL EXPENSES				$	**3,937,687**
NET OPERATING INCOME				$	**7,249,224**
DEBT SERVICE					
1. Principal and Interest		$	652,082		
2. Mortg & Bond Serv Fee	0.50 %		49,381		
3. MIP	0.2500 %		24,690		
4. Debt Service on Other Mortgage Loans	$ 5,447,788	$	5,447,788		
AGENCY DEBT SERVICE		$	6,173,941		
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$			
TOTAL DEBT SERVICE				$	6,173,941
NET INCOME				$	**1,075,283**
Less Return on Equity	(% on $		)	- $	
Project Profit/(Loss)				$	**1,075,283**

DEBT SERVICE RATIO CALCULATION :

$$DSR = \frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}} = \mathbf{1.17416}$$

New Mortgage Amount
9,876,189

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT:	The Crossings at Brick Church Station 1B
HMFA #:	08003
LOAN OFFICER:	Michael Elia
DATE:	4/11/25

Annual % of Rent Increase:	3.00%	
Annual Expense Increase:	4%	
Vacancy:	5.00	$588,785
Commercial Rent Increase:		
Commercial Vacancy:	10.00 %	

Permanent Mortgage (1st Note)		9,876,189
Interest Rate:		6.00
Term:		40
Annual Payment:		652,082
Servicing Fee:	0.500	49,381
MIP:	0.250	24,690

2nd Note/Mortgage (Amortizing)		79,500,000
Interest Rate:	6	0.005000
Term in Years:	40	480
Annual Payment:		$5,249,038.13
MIP	0.25%	$198,750
		$5,447,788

DEVELOPMENT: The Crossings at Brick Church Stat
HMFA #: 08003
LOAN OFFICER: Michael Elia
DATE: 4/11/25

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
1	2	613	733	Low (9001)	156	577	1,154	13,848
2	7	942	879	Low (9001)	201	678	4,746	56,952
3	2	1,164	1,016	Low (9001)	249	767	1,534	18,408
0	0	0	0	0	0	0	0	0
1	14	613	1,161	Low (9001)	156	1,005	14,070	168,840
2	44	942	1,392	Low (9001)	201	1,191	52,404	628,848
3	15	1,164	1,609	Low (9001)	249	1,360	20,400	244,800
0	0	0	0	0	0	0	0	0
Studio	82	552	2,250	Market (9003)	0	2,250	184,500	2,214,000
1	127	728	2,500	Market (9003)	0	2,500	317,500	3,810,000
1	26	709	2,500	Market (9003)	0	2,500	65,000	780,000
2	63	1,140	3,200	Market (9003)	0	3,200	201,600	2,419,200
2	37	1,065	3,200	Market (9003)	0	3,200	118,400	1,420,800
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1	1	728	0	0	0	0	0	0
Total	420							11,775,696

PILOT Calculation	Year 1		
Rental Income			
Gross Rental Income	11,775,696		
Less: Vacancy	-588,785		
Net Rental Income	11,186,911		
Less: Owner-pd Utilities	-504,000		
Basis for PILOT Calc.	10,682,911		
PILOT Rate	4.23		
PILOT Payment Estimate	$451,887		
Commercial:		Square Ft.	
Gross Commercial Income	0	86,493	
Less: Vacancy	(0.00)		Commercial
Net Commercial Income	0		$/sq. ft.
PILOT Rate	0.00%		$0
PILOT Payment Estimate	0		

FRM-CDBG	0
Interest Rate Annually:	
First Years Balance:	0

PROJECTIONS	%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
RENTAL INCOME								
Apartment Rents		11,775,696	12,128,967	12,492,836	12,867,621	13,253,650	13,651,259	14,060,797
Less Vacancy Loss	5 %	-588,785	-606,448	-624,642	-643,381	-662,682	-682,563	-703,040
NET APT. RENTS		11,186,911	11,522,519	11,868,194	12,224,240	12,590,967	12,968,696	13,357,757
Commercial Income	$0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0.10	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS		0	0	0	0	0	0	0
TOTAL RENTAL INCOME:		**11,186,911**	**11,522,519**	**11,868,194**	**12,224,240**	**12,590,967**	**12,968,696**	**13,357,757**
OTHER INCOME								
Laundry Machines	$0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME		0	0	0	0	0	0	0
TOTAL REVENUE		11,186,911	11,522,519	11,868,194	12,224,240	12,590,967	12,968,696	13,357,757
OPERATING EXPENSES	Yearly Per Unit Cost							
Administrative	$800	336,000	349,440	363,418	377,954	393,072	408,795	425,147
Salaries and Benefits	$2,200	924,000	960,960	999,398	1,039,374	1,080,949	1,124,187	1,169,154
Maintenance & Repairs	$1,197	502,637	522,742	543,652	565,398	588,014	611,535	635,996
Maintenance Contracts	$860	361,363	375,818	390,850	406,484	422,744	439,653	457,239
Utilities	$1,200	504,000	524,160	545,126	566,931	589,609	613,193	637,721
Management Fee 79.37	$400,000	400,000	412,000	424,360	437,091	450,204	463,710	477,621
PILOT on Housing 4.23	$1,076	451,887	465,231	478,966	493,104	507,657	522,638	538,058
Insurance	$650	273,000	283,920	295,277	307,088	319,371	332,146	345,432
Replacement Reserves	$440 $184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800
PILOT on Comm.	$0	0	0	0	0	0	0	0
TOTAL EXPENSES		3,937,687	4,079,070	4,225,847	4,378,225	4,536,420	4,700,657	4,871,168
Total Per Unit Cost		9,375	9,712	10,062	10,424	10,801	11,192	11,598
Expense/Income Ratio		0.35	0.35	0.36	0.36	0.36	0.36	0.36
INCOME AVAIL. FOR DEBT		7,249,224	7,443,448	7,642,347	7,846,015	8,054,547	8,268,039	8,486,589
Debt Service-1st Mortgage		726,153	726,153	726,153	726,153	726,153	726,153	726,153
Debt Service-2nd Note/Mortgage (amortizing)		5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038
Total Debt Service		5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191
Debt Service Ratio		1.21	1.25	1.28	1.31	1.35	1.38	1.42
DSR from Operations and Reserve		0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service		1,274,033	1,468,257	1,667,156	1,870,824	2,079,356	2,292,848	2,511,397
	%	0	0	0	0	0	0	0
	%	0	0	0	0	0	0	0
Remaining Cash Flow		1,274,033	1,468,257	1,667,156	1,870,824	2,079,356	2,292,848	2,511,397
OPERATING RESERVE:								
Beginning Reserve Balance			0	0	0	0	0	0
Interest Income		0	0	0	0	0	0	0
Less Neg. Cash Flow		0	0	0	0	0	0	0
Ending Reserve Balance		0	0	0	0	0	0	0

PROJECTIONS	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14
RENTAL INCOME							
Apartment Rents	14,482,621	14,917,099	15,364,612	15,825,551	16,300,317	16,789,327	17,293,007
Less Vacancy Loss	-724,131	-745,855	-768,231	-791,278	-815,016	-839,466	-864,650
NET APT. RENTS	13,758,490	14,171,244	14,596,382	15,034,273	15,485,301	15,949,860	16,428,356
Commercial Income	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**13,758,490**	**14,171,244**	**14,596,382**	**15,034,273**	**15,485,301**	**15,949,860**	**16,428,356**
OTHER INCOME							
Laundry Machines	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0
TOTAL OTHER INCOME	0	0	0	0	0	0	0
TOTAL REVENUE	13,758,490	14,171,244	14,596,382	15,034,273	15,485,301	15,949,860	16,428,356
OPERATING EXPENSES							
Administrative	442,153	459,839	478,233	497,362	517,257	537,947	559,465
Salaries and Benefits	1,215,920	1,264,557	1,315,140	1,367,745	1,422,455	1,479,353	1,538,527
Maintenance & Repairs	661,436	687,893	715,409	744,026	773,787	804,738	836,928
Maintenance Contracts	475,529	494,550	514,332	534,906	556,302	578,554	601,696
Utilities	663,230	689,759	717,349	746,043	775,885	806,920	839,197
Management Fee	491,950	506,708	521,909	537,567	553,694	570,304	587,413
PILOT on Housing	553,930	570,267	587,083	604,392	622,208	640,546	659,421
Insurance	359,249	373,619	388,564	404,107	420,271	437,082	454,565
Replacement Reserves	184,800	184,800	184,800	184,800	184,800	184,800	184,800
PILOT on Comm.	0	0	0	0	0	0	0
TOTAL EXPENSES	5,048,197	5,231,993	5,422,819	5,620,947	5,826,658	6,040,245	6,262,013
Total Per Unit Cost	12,020	12,457	12,911	13,383	13,873	14,382	14,910
Expense/Income Ratio	0.37	0.37	0.37	0.37	0.38	0.38	0.38
INCOME AVAIL. FOR DEBT	8,710,293	8,939,251	9,173,562	9,413,326	9,658,644	9,909,616	10,166,344
Debt Service-1st Mortgage	726,153	726,153	726,153	726,153	726,153	726,153	726,153
Debt Service-2nd Note/Mortgage (amortizing)	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038
Total Debt Service	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191
Debt Service Ratio	1.46	1.50	1.54	1.58	1.62	1.66	1.70
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	2,735,102	2,964,060	3,198,371	3,438,135	3,683,453	3,934,425	4,191,152
%	0	0	0	0	0	0	0
%	0	0	0	0	0	0	0
Remaining Cash Flow	2,735,102	2,964,060	3,198,371	3,438,135	3,683,453	3,934,425	4,191,152
			22,061,404				
OPERATING RESERVE:							
Beginning Reserve Balance	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0

PROJECTIONS	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
RENTAL INCOME							
Apartment Rents	17,811,797	18,346,151	18,896,535	19,463,431	20,047,334	20,648,754	21,268,217
Less Vacancy Loss	-890,590	-917,308	-944,827	-973,172	-1,002,367	-1,032,438	-1,063,411
NET APT. RENTS	16,921,207	17,428,843	17,951,708	18,490,260	19,044,967	19,616,317	20,204,806
Commercial Income	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**16,921,207**	**17,428,843**	**17,951,708**	**18,490,260**	**19,044,967**	**19,616,317**	**20,204,806**
OTHER INCOME							
Laundry Machines	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0
TOTAL OTHER INCOME	0	0	0	0	0	0	0
TOTAL REVENUE	16,921,207	17,428,843	17,951,708	18,490,260	19,044,967	19,616,317	20,204,806
OPERATING EXPENSES							
Administrative	581,843	605,117	629,322	654,495	680,674	707,901	736,217
Salaries and Benefits	1,600,068	1,664,071	1,730,634	1,799,859	1,871,854	1,946,728	2,024,597
Maintenance & Repairs	870,405	905,221	941,430	979,087	1,018,250	1,058,980	1,101,340
Maintenance Contracts	625,764	650,794	676,826	703,899	732,055	761,337	791,791
Utilities	872,765	907,676	943,983	981,742	1,021,012	1,061,852	1,104,326
Management Fee	605,036	623,187	641,883	661,139	680,973	701,402	722,444
PILOT on Housing	678,849	698,845	719,427	740,610	762,413	784,854	807,950
Insurance	472,748	491,658	511,324	531,777	553,048	575,170	598,177
Replacement Reserves	184,800	184,800	184,800	184,800	184,800	184,800	184,800
PILOT on Comm.	0	0	0	0	0	0	0
TOTAL EXPENSES	6,492,278	6,731,369	6,979,627	7,237,408	7,505,080	7,783,025	8,071,642
Total Per Unit Cost	15,458	16,027	16,618	17,232	17,869	18,531	19,218
Expense/Income Ratio	0.38	0.39	0.39	0.39	0.39	0.40	0.40
INCOME AVAIL. FOR DEBT	10,428,929	10,697,474	10,972,081	11,252,852	11,539,888	11,833,292	12,133,164
Debt Service-1st Mortgage	726,153	726,153	726,153	726,153	726,153	726,153	726,153
Debt Service-2nd Note/Mortgage (amortizing)	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038
Total Debt Service	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191
Debt Service Ratio	1.75	1.79	1.84	1.88	1.93	1.98	2.03
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	4,453,738	4,722,283	4,996,890	5,277,660	5,564,697	5,858,100	6,157,973
%	0	0	0	0	0	0	0
%	0	0	0	0	0	0	0
Remaining Cash Flow	4,453,738	4,722,283	4,996,890	5,277,660	5,564,697	5,858,100	6,157,973
	41,762,307						
OPERATING RESERVE:							
Beginning Reserve Balance	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0

MULTIFAMILY CASH FLOW

tion 1B

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
21,906,263	22,563,451	23,240,355	23,937,565	24,655,692	25,395,363	26,157,224	26,941,941	27,750,199
-1,095,313	-1,128,173	-1,162,018	-1,196,878	-1,232,785	-1,269,768	-1,307,861	-1,347,097	-1,387,510
20,810,950	21,435,279	22,078,337	22,740,687	23,422,908	24,125,595	24,849,363	25,594,844	26,362,689
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
20,810,950	**21,435,279**	**22,078,337**	**22,740,687**	**23,422,908**	**24,125,595**	**24,849,363**	**25,594,844**	**26,362,689**
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
20,810,950	21,435,279	22,078,337	22,740,687	23,422,908	24,125,595	24,849,363	25,594,844	26,362,689
765,666	796,293	828,144	861,270	895,721	931,550	968,812	1,007,564	1,047,867
2,105,581	2,189,804	2,277,396	2,368,492	2,463,232	2,561,761	2,664,232	2,770,801	2,881,633
1,145,393	1,191,209	1,238,857	1,288,412	1,339,948	1,393,546	1,449,288	1,507,259	1,567,550
823,462	856,401	890,657	926,283	963,335	1,001,868	1,041,943	1,083,620	1,126,965
1,148,499	1,194,439	1,242,217	1,291,905	1,343,582	1,397,325	1,453,218	1,511,346	1,571,800
744,118	766,441	789,435	813,118	837,511	862,637	888,516	915,171	942,626
831,722	856,188	881,368	907,283	933,956	961,406	989,657	1,018,732	1,048,655
622,104	646,988	672,867	699,782	727,773	756,884	787,160	818,646	851,392
184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800	184,800
0	0	0	0	0	0	0	0	0
8,371,345	8,682,562	9,005,741	9,341,346	9,689,857	10,051,776	10,427,624	10,817,940	11,223,288
19,932	20,673	21,442	22,241	23,071	23,933	24,828	25,757	26,722
0.40	0.41	0.41	0.41	0.41	0.42	0.42	0.42	0.43
12,439,605	12,752,716	13,072,596	13,399,342	13,733,051	14,073,819	14,421,739	14,776,903	15,139,402
726,153	726,153	726,153	726,153	726,153	726,153	726,153	726,153	726,153
5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038	5,249,038
5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191	5,975,191
2.08	2.13	2.19	2.24	2.30	2.36	2.41	2.47	2.53
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6,464,414	6,777,525	7,097,404	7,424,150	7,757,860	8,098,628	8,446,548	8,801,712	9,164,210
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
6,464,414	6,777,525	7,097,404	7,424,150	7,757,860	8,098,628	8,446,548	8,801,712	9,164,210
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A DECLARATION OF INTENT FOR THE PROJECT KNOWN AS PAULSBORO GARDEN APARTMENTS, HMFA #08007

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

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Laura Shea
Assistant Secretary

Paulsboro Gardens Apartments **May 1, 2025**
Paulsboro, Gloucester County
HMFA #08007
Developer: PRC Group LLC
# of Units: 150
Population: Family

**REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

Action Requested:

Approval of a “Declaration of Intent” stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $32,052,000 in permanent financing for a project known as Paulsboro Gardens Apartments, HMFA #08007 (the “Project”). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the “Original Expenditures”) associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the “Reimbursement Regulations”) promulgated under the Internal Revenue Code of 1986, as amended (the “Code”).

1. The Project will be a qualified residential rental project within the meaning of Code Sections 142(a)(7) and 142(d) and related Treasury Regulations. A brief, general description of the Project is set forth below.

2. The Original Expenditures to be reimbursed with the proceeds of the Bonds will be “capital expenditures” as defined in Treas. Reg. Section 1.150-1(b), costs of issuance for the Bonds, and/or expenditures described in Treas. Reg. Section 1.148-6(d)(3)(ii)(B) (relating to certain extraordinary working capital items).

3. Pursuant to the Reimbursement Regulations, with respect to each Original Expenditure to be reimbursed with proceeds of the Bonds, either (i) the date of the declaration of official intent is not later than 60 days after the payment of the Original Expenditure, or (ii) if the date of the declaration of official intent is more than 60 days after the payment of the Original Expenditure, the Original Expenditure must be a preliminary, pre-construction expenditure as described in Treas. Reg. Section 1.150-2(f)(2) and the total amount of such preliminary expenditures to be reimbursed with proceeds of the Bonds cannot exceed 20% of the proceeds of the Bonds.

4. This Request for Action expresses the Board's declaration of intent only. It does not authorize the Agency to issue the Bonds, which issuance may only be authorized by subsequent action adopted in accordance with law. The ability of the Project to conform to the Conduit Bond Program, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this Project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this Project any preference over any other project.

5. The following is a brief, general description of the Project based on current expectations regarding the Project:

Back-to-Back Loan Program (BTB)

Under a BTB initiative, Citibank, N.A. (Citi) originates a direct taxable loan, also called a Funding Loan, to a government entity such as a city, county, or state housing agency that can issue multifamily housing bonds. Simultaneously, using the proceeds of the Funding Loan, the issuer makes another loan, the project loan, to the borrower to finance a specific housing project.

The Project

Paulsboro Gardens Apartments ("the Project") is a 100% Section 8 subsidized occupied rehabilitation of 150-units for families. The Project is located on 70 Baird Avenue Paulsboro, New Jersey on Block 132, Lot 1.01 and Block 123, Lot 1. The Project was built in 1953 and consists of twenty-one (21) two-story residential buildings. All units feature an individual entrance. There are 100 total parking spaces representing 0.67 parking spaces per dwelling unit.

The Project is within a 5-mile proximity to many local community amenities such as Baird Ave recreation area, Broad Street Route 44 bus stop (within .5 miles), pharmacies, police department, fire department, schools, banks, restaurants, shopping centers, and Inspira Health Center.

The Project consists of sixty-four (64) one-bedroom units and eighty-six (86) two-bedroom units, including two (2) rent free units for superintendents, one (1) one-bedroom and one (1) two-bedroom. The one-bedroom units have an average of 675 square feet and the two-bedroom units have an average of 784 square feet. The Project anticipates receiving an updated Project Based Section 8 Housing Assistance Payment ("HAP") contract. The current contract will expire September 2026. The Developer plans on renewing it for a 20-year term. The proposed net rents for the units are as follows; thirty-two (32) one-bedroom units have a net rent of $1,770, thirty-one (31) one-bedroom units have a net rent of $1,800, and eighty-five (85) two-bedroom units have a net rent of $2,100.

Exhibit A

The Developer plans to leverage vacant on-site units and implement a structured relocation plan in order to minimize disruption for residents while ensuring a timely and effective transition. They will prioritize minimal disruption to residents by facilitating same-day returns where feasible and will provide a furnished hospitality unit where residents can spend the day during relocations. They will also offer furnished apartments with beds in case residents need to stay overnight within the complex. The Developer has provided a budget for staff assistance and moving supplies to assist each household with each move.

The Project will use electric heat, hot water, cooking and air conditioning, which will be individually metered and paid by the tenant. Water and sewer will be master metered and paid by the Project.

The amenities available to each unit will include ranges, refrigerator, dishwasher and laundry facilities.

The Property will be managed by PRC Property Management LLC.

The Project is seeking 4% Low-Income Housing Tax Credits (LIHTC). For tax credit purposes, the Sponsor will select the 40% at 60% AMI option.

Conduit Financing Structure

Issuer of Bonds – New Jersey Housing and Mortgage Finance Agency

Issuer's Bond Counsel – To Be Determined

Trustee – U.S. Bank Trust Company, National Association; The Agency will assign mortgage to Trustee US Bank

Funding Lender – Citibank, N.A., -- Citibank, N.A., will be acting as servicer.

Borrower – Paulsboro Gardens LLC

Tax Credit Investor – Berkadia Affordable Tax Credit Solutions

Agency Financing

The Agency will provide permanent only financing from the Conduit Bond Program in the estimated amount of $26,710,000, at an estimated interest rate of 6.75% (inclusive of the estimated tax-exempt rate of 6.25%, and Agency's annual administrative fee of .50%). The term of the loan is estimated to be 18 years with an estimated amortization period of 40 years. The loan will be secured by a first mortgage lien on the property.

Exhibit A

DOI Conditions:

1. The Borrower has not justified to the Agency's satisfaction the reasonableness of the total development costs. Therefore, the Agency reserves the right to require that the Borrower provide a quantitative analysis and justification of the costs or the Agency will commission an independent analysis to confirm the cost, with the Sponsor paying for that analysis.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$20,550,000	($137,000/DU)	($186/SF)
Construction Costs (Including Contractor Fee)	$12,668,500	($84,457/DU)	($115/SF)
Contingencies	$1,375,655	($9,171/DU)	($12/SF)
Developer Fee	$4,402,389	($29,349/DU)	($40/SF)
Professional Fees	$1,468,603	($9,791/DU)	($13/SF)
Carrying Financing Costs	$8,626,176	($57,508/DU)	($78/SF)
Other Charges	$1,053,694	($7,025/DU)	($10/SF)
TOTAL DEVELOPMENT COST	$50,145,017	($334,300/DU)	($453/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage, Note I	$26,710,000	($178,067/DU)
LIHTC Equity ($0.91) *Berkadia Affordable Tax Credit Solutions*	$18,139,340	($120,929/DU)
Citi Bank Taxable Loan	$964,000	($6,427/DU)
Deferred Developer Fee	$1,105,468	($7,370/DU)
Sponsor Equity	$2,277,028	($15,180 /DU)
Operating Income During Construction	$949,181	($6,328/DU)
TOTAL PROPOSED PERMANENT SOURCES	$50,145,017	($334,300/DU)

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY CONDUIT BOND PROGRAM PERMANENT

SCHEDULE 10-A: PROJECT DESCRIPTION

		Date Action Taken				
X	Inducement	5/1/25	If a Closing Other Than Final - Indicate Type By Date			
	Commitment				HMFA#	08007
	Re-Commitment		Special Needs:		Date:	4/14/25
	Mtg. Extension		Other:		Prepared by:	Michael Elia
	Bond Sale		Other:		Reviewed by:	
	Final Closing		Other:			

Project Name: Paulsboro Gardens Apartments

Project Street Address: 70 Baird Avenue | City: Paulsboro | State: NJ | Zip Code: 08066

Municipality: Paulsboro Boro (376)

County: Gloucester (15)

Block No. — List Block followed by corresponding Lot and separated by a comma. Note # Only one Block and one lot per cell. Example: 31,3.05

123, 1				
132, 1.01				

Amortization Period:	40
Term of Mortgage (in years):	18
Construction Interest Rate	6.81%
Principle and Interest Rate	6.25%
Credit Enhancement Rate/Fee)	
Private Lender Fee/Rate:	
HMFA Annual Admin Fee	0.50%
Stacked Rate/Total:	6.75%

Type of Development
(Select Family or Senior Citizens, NOT BOTH)

Family	X
Senior Citizens	
Provide the following:	
Legislative District:	District 4 (4)
Congressional District:	District 1 (1)
Census Tract:	5004.00
No. of dwelling units	150
No. of occupied units	131
Special Needs Units	
Special Needs Population	
Construction Term	15 (mos.)
Rent-up Period	3 (mos.)

Type of Construction

New Construction	
Modular	
Moderate Rehabilitation	
Substantial Rehab.	
Conversion	
Rehabilitation/Occupied	X

QCT	Y
Smart Growth	Y
Planning Area:	Metro (designate area)

Parking

Total Number of Parking Spaces: 100

Ratio of parking to D.U.'s: 0.67 : 1

Type of Financing

Tax Exempt	X
Taxable	

Tax Credits (Check One)

4%	X
9%	
Historic	

Affordability (Check One)

** 40% AT 60%	X
*** 20% AT 50%	
Income Averaging	

Type of Loan

Construction Loan Only	
Construction & Permanent Loan	
Permanent Loan Only	X

ENTER DOLLAR AMOUNT

Type of Subsidy	
Special Needs Program Funds	$
FRM-CDBG	$
Amt. of FRM-CDBG/Unit:	
Money Follows the Person	$
Fire Supression	$
Other	$
Other	$

Cost Summary

	$136,667 per DU		$185 per Sqft.
Construction Cost	$84,457 per DU		$115 per Sqft.
Total Project Cost	$334,300 per DU		$453 per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Unit Size in Sq. Ft.	No. of Units	= Net Rentable Area
Low-rise	21	2	1	675	64	43,200
			2	784	86	67,424
Garage & Parking						
Commercial Space						
Common/Other Space	Common residential					
Totals	21				150	110,624

Total Project Cost	50,145,017
Minus Eligible Costs:	
Reserves	651,367
Req Deferred Developer Fee	1,105,468
Non Basis Off Site Improvements	
=	48,388,182
Cost Per DU	322,588

Type of Enhancement

FHA, Fannie, Freddie	
Ginny Mae, LOC	Back to Back
Type of Purchase	Private
Public, Direct, Private	
Expiration Year of Current Subsidy/Mtg	
Section 8, Section 236 Project	
Year Current Mtg Expires	
Year Current HAP or IRP Expires	
HMFA Portfolio	Contract Admin

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

HMFA# 08007

X	Inducement	Prepared by:	Michael Elia
	Commitment	Reviewed by:	
	Re-Commitment		Director of Technical Services
	Mtg. Extension		Director of Multifamily
	Bond Sale		Managing Director of Multifamily
	Closing		Chief of Multifamily

Date

Date

1. SOURCES OF FUNDS DURING CONSTRUCTION:

		Enter the total Loan Amount Here	Notes/Memo		
a)	Construction Bridge Loan (28)	$39,230,146	Citibank, N.A. (taxable)	$	$39,230,146
b)	LIHTC Equity (170)	$18,139,340	ia LIHTC Install 1 @ Closing	$	2,720,901
c)				$	
d)	Sponsor Equity (171)	$2,277,028		$	$2,277,028
e)	Operating Income During Construction (173)	$949,181		$	$949,181
f)				$	
g)				$	
h)	Deferred Developer's Fee			$	3,467,971
	TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			$	48,645,227

2. USES of FUNDS DURING CONSTRUCTION:

			% of Cons't Cost OR Cost/Unit	
A. ACQUISITION COSTS:				
a) Land	@ ($ per Acre)	$ 2,050,000		
b) Building Acquisition	**Should be between $15,000 & $25,000 per units**	18,450,000	**$137,000**	
c) Relocation		50,000		
d) Other:				20,550,000
B. CONSTRUCTION COSTS	**Total Acquisition as a percent of Total Project Costs: 40.98%**			
a) Demolition		$		
b) Off-site Improvements				
c) Residential Structures		10,400,000		
d) Community Service Facility				
e) Environmental Clearances				
f) Surety & Bonding	**should be between .75% and 2% of Construction Costs**	525,000	**4.14%**	
g) Building Permits		100,000		
h) Garage Parking	**garage should be approx $15,000/space; parking lot around $700/space**			
i) General Requirements	**should be about 6% of construction costs**	661,500	**5.95%**	
j) Contractor Overhead & Profit -	**should not exceed 8% of construction costs - usually 2% for Overhead & 6% for Profit**	882,000	**7.93%**	
k) Fire Suppression System				
m) Other Site Work	**Total Cons't Costs as a percent of Total Project Costs: 27.79%**	100,000		
				12,668,500
C. DEVELOPERS FEE - CONSTR/REHAB	**14.99%** HMFA Policy is that the Developer fee is earned as a percentage of construction completion.	3,664,389		
DEVELOPERS FEE - BUILDING	**4.00%**	738,000		
	Non-Deferred Amt: $3,296,922 **7.69%**			4,402,389
D. CONTINGENCY	*Non-Deferred Amt on Building Acq Not to Exceeed 2% : $369,000*			
a) Hard Costs 10.000%	**5% for New Construction & 10% for Rehabilitation**	1,266,850		
b) Soft Costs 1.040%	**should be a Maximum of 5%**	108,805		1,375,655
E. PROFESSIONAL SERVICES				
a) Appraisal & Market Study		$ 15,000		
b) Architect		601,753		
c) Engineer		154,950		
d) Attorney		312,500		
e) Cost Certification/Audit - **should not exceed $35,000**		30,000		
f) Environmental Consultant		199,400		
g) Historical Consultant				
h) Green Consultant				
i) Geotechnical Engineering Report				
j) Surveyor		120,000		
k) Professional Planner				
l) LEED Provider Contract fees, etc	**Total Professional fees as a % of Total Project Costs: 2.93%**	35,000		1,468,603
F. PRE-OPERATIONAL EXPENSES *	*** Non-eligible costs in TC basis**			
a) Operator fees (pre-construction completion) *	**Should not exceed $250 per unit**	$		
b) Advertising and Promotion (pre-construction completion)*		22,500		
c) Staffing and Start-up Supplies (pre-construction completion)*				
d) Other: * NJHMFA App Fee		7,500		
e) Other: *	**Total Pre Opt Costs as a % of Total Project Costs: 0.06%**			30,000
G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION	**(percentage of total development costs)**		**16.25%**	
a) Interest @ 6.8100 % for (18 mos.) on $ 39,230,146		4,007,359		
b) R.E. Tax $ 133,333 (per annum) x 1.50 Yrs.		200,000		
c) Insurance $ 83,333 (per annum) x 1.50 Yrs.		125,000		
d) Title Insurance and Recording Expenses		150,000		
e) Utility Connection Fees		10,000		
f) Other Lender's Points		2,995,659		
g) Other Lender Construction Financing Fee		442,705		
h) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the time the Development is under construiciton, these costs should be accounted for during the construction period.	204,356		
i) Negative Arbitrage **(if Bonds are sold during Construction)**			**(ESTIMATE)**	
j) Cost of Issuance **(If Bonds are sold during Construction)**			**(ESTIMATE)**	
k) Furniture, Fixtures & Equipment (FF&E)		15,000		
	Total Carrying/Fin. Costs as % of Total Project Costs: 16.25%			8,150,080

3. USES OF FUNDS DURING CONSTRUCTION:	$	**48,645,227**
4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage):	$	(0)

PERMANENT LOAN CLOSING

		Notes/Memo		
5. SOURCES OF FUNDS FOR PERMANENT FUNDING:				
a) HMFA 1st Mortgage, NOTE I			$	26,710,000
b) HMFA 1st. Mortgage, NOTE II			$	
c) LIHTC Equity (170)		Berkadia LIHTC Install II (September 1, 2026)	$	1,269,754
d) LIHTC Equity (170)		Berkadia LIHTC Install III (June 1, 2027)	$	13,967,292
e) LIHTC Equity (170)		Berkadia LIHTC Install IV (September 1, 2027)	$	181,393
f)			$	
g) Additional Funding (194)		Citi Bank Taxable Loan	$	964,000
h)			$	
TOTAL SOURCES FOR PERMANENT CLOSING:			$	43,092,439

6. USES of FUNDS FOR PERMANENT CLOSING:						
A. DEVELOPER'S FEE:					$	2,362,503
B. HMFA Points (to reduce annual servicing fee)"		on	$			
C. HMFA Second Note Financing Fee "	0.50%	on	$			
D. SNHTF Financing Fee	3.0%	on	$			
E. CONSTRUCTION LOAN PAYOFF:					$	39,230,146
F. Construction Loan Interest Due(per diem)		on	$		$	
G. Negative Arbitrage **(ESTIMATE)**			(List Daily Amount)			
H. Cost of Issuance **(ESTIMATE)**				276,740		276,740
I. Reimbursement of any Indemification Fee not dedicated to other costs						
J. TAX CREDIT FEES						199,356
K. R.E. Taxes due & Payable at Closing						
L. Title Insurance	# of days		(List Daily Amount)			
M. HMFA Loan per diem interest on NOTE I (if applicable)		on	$			
N. Outstanding Payments to Professional & Sub-contractors						
O. Payment and Performance Bond, 30% Warranty Bond, or 10% Letter of Credit						
P. HMFA Non Amortizing Debt Fee- 2 pts	2.00%	on	$			
Q. HMFA Issuance Fee- 50 bp	0.50%	on	$ 26,710,000	133,550		133,550
R. HMFA 1st Year Upfront Admin Fee-50bp	0.50%	on	$ 15,000,000	75,000		75,000
R. HMFA 1st Year Upfront Annual Fee-25bp	0.25%	on	$ 11,710,000	29,275		29,275
R. HMFA 1st Year Upfront Annual Fee-10bp	0.10%	on	$			
S. Misc Bond Issuance Fee						40,000
T.Trustee Fee						2,000
U. Trustee Counsel Fee						3,000
V. ESCROW REQUIREMENTS:	**Total Costs@ PermClosing as%of Total Project Costs:**			**5.66%**		
1) Working Capital Escrow						
a) Debt Service & Operating Expenses						651,367
b) Rental Agent Rent-up Fee (during Rent-up)						
c) Advertising and Promotion (during Rent-up)						
2) Other Escrows						
a) Insurance (1/2 YR.)					$	89,502
b) Taxes (1 Qtr.)					$	
c) Debt Service Payment & Servicing Fee for 1 Month					$	
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months					$	
e) Repair & Replacement Reserves					$	
f) HMFA Operating Deficit Reserve					$	
g) Other:					$	
h) Other:	**Total Escrows as a % of Total Project Costs:**			**1.48%**		
7. USES OF FUNDS FOR PERMANENT CLOSING					$	**43,092,439**
8. BALANCE NEEDED TO CLOSE (overage / shortage):					$	
9. TOTAL PROJECT COSTS					$	**50,145,017**
10. MAXIMUM MORTGAGE LOAN	53.27 % of Item 10				$	26,710,000

11. 55% of Basis Test:

Aggregate Basis:	**$**	**48,565,227**
55% of Basis (estimated):		**26,710,875**
Less 1st Mtg., 1st Note:		26,710,000
Equals 1st. Mtg., 2nd Note Needed:		**875**

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE)

List Source

			$	
	Principal	$	$	
Interest @	( ) mos.	$	$	
	Total	$	Total $	
			$	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________ By: ______________________

(Developer or Authorized Signatory) NJHMFA Executive Director or Designee

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SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity:	Paulsboro Gardens LLC	HMFA#	08007
Dev. Name:	Paulsboro Gardens Apartments	Prepared by:	Michael Elia	04/14/25
		Reviewed by:		
			(Director of Asset Management)	Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	200
Telephone	6,700
Dues & Sub.	100
Postage	350
Insp. & Other Fees	1,075
Advertising	3,100
Legal Services	2,100
Auditing (Year End)	18,925
Soc. Serv. Suppl.	
Misc. Adm. Expenses	3,000
Bookkeeping/Accounting	
and/or Computer Charges	13,122
Other:	
TOTAL $	48,672

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	1.00	65,000
Janitorial	2.00	80,000
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin	2.00	110,000
Maintenance		
Other Salaries:		
Empl. Benefits	5.00	25,500
Empl. Payroll Taxes	5.00	12,750
Worker's Comp.	5.00	12,750
Other:		
TOTAL $	20.00	306,000

III. MAINTENANCE AND REPAIRS

Masonary	2,000
Carpentry	6,000
Plumbing	8,000
Electrical	5,000
Kitchen Equipment	1,000
Elevator	
Windows & Glass	1,000
Vehicles & Equip.	1,500
Snow Removal	1,500
Grounds & Landscaping	2,000
Paint & Dec. Supl.	2,500
Small Equip. & Tools	1,000
Janit. Sup. & Tools	1,500
HVAC Supplies	3,000
Misc. Maint. Suppl.	4,355
Other:	
TOTAL $	40,355

IV. MAINTENANCE CONTRACTS

Security	5,000
Elevator	
Rubbish Removal	12,000
Heating & AC Maint.	15,000
Grounds, Parking & Landscaping	25,000
Exterminating	
Cyclical Apt. Painting	17,500
Other:	
TOTAL $	74,500

V. UTILITY EXPENSE

Water Charges	41,650
Sewer Charges	55,275
Electricity	21,978
Gas	3,464
Fuel	
Less Solar Energy Savings	
TOTAL $	122,367

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	$	3,491,280			
Less Vacancy	(-)	174,564			
Less Utilities (if applicable)	(-)	122,367			
Gross Sheltered Rents	$	3,194,349			
x Rate	x	%			ACTUAL TAXES
Real Estate Taxes	$		OR	44,388	IF NO P.I.L.O.T.

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SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	26,710,000		HMFA #	08007
Mortgage Interest Rate	6.25 %		Prepared by:	Michael Elia — 04/14/25
Term (years)	40 Yrs.	**The Interest rate has been**	Reviewed by:	
Amortization (Y,S,M)	M	**reduced by:** ____ **basis points**		Date
FMR Area		**as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.**		

Date of Income Limits Chart Used: HAP Contract
Date of Utility Chart Used: HAP Contract

ANTICIPATED GROSS RENTS:

	No. of Bedrooms	No. of Units	% AMI	Gross Rent	Subsidy Type, if applicable	Subsidy Amount	Allowance for Tenant Paid Utilities***	Net Rent	Monthly
	1	32	60	1,907	HUD Multi-Family Project-Based Rental A:		137	1,770	56,640
	1	31	60	1,937	HUD Multi-Family Project-Based Rental A:		137	1,800	55,800
	2	85	60	2,271	HUD Multi-Family Project-Based Rental A:		171	2,100	178,500
	2	1							
Super's Apt.*	1	1							
	TOTALS	**150**				**Monthly Rents**	**290,940**		

Anticipated Annual Gross Rents **3,491,280**

* Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put $0 in the Rent column.

** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income. **NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.**
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom

*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:		(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	x	Heat	electric	individual	yes
Refrigerator	x	Hot Water	electric	individual	yes
Air Conditioning	x	Cooking	electric	individual	yes
Laundry Facilities	x	Air Conditioning	electric	individual	yes
Disposal		Household Electric		individual	yes
Dishwasher	x	Water		master	no
Carpet	x	Sewer		master	no
Drapes		Parking			
Swimming Pool		Other:			
Tennis Court		Other:			
Other:					

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart		**Utility Company Estimates**	
HUD Utility Schedule Model	yes	**Energy Consumption Model**	

COMMERCIAL SPACE
(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: Paulsboro Gardens LLC — HMFA# 08007
Prepared by: Michael Elia — 04/14/25
Dev. Name: Paulsboro Gardens Apartments — Reviewed by:
(Director of Asset Management - Expenses Only) — Date

RENTAL INCOME

Apartment Rents		$	3,491,280
Vacancy Loss	(5.00 %) -		174,564
NET APT. RENTS			3,316,716
Commercial Income	per Sq. Ft.	$	
Garage & Parking	per Sq. Ft.		
Commercial Vacancy	%		
NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME		$	3,316,716

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OTHER INCOME			
Laundry Machines		$	
Other:			
TOTAL OTHER INCOME		$	
TOTAL REVENUE			$ **3,316,716**
EXPENSES			
Administrative (Schedule I)		$ 48,672	
Salaries (Schedule II)		306,000	
Maint. & Repairs (Schedule III)		40,355	
Maint. Contracts (Schedule IV)		74,500	
Utilities (Schedule V)		122,367	
Management Fee	68.00 per unit	122,400	* Should be between $57 & $73 per unit per month
P.I.L.O.T. on Commercial Income(%)			
Real Estate Taxes (Schedule VI)		44,388	
Insurance	$1,193 per Unit	179,003	**2-Story & below - $500; 3-Story & above - $550**
Reserve for Repair and Replacement	350.00 per unit	52,500	
TOTAL EXPENSES			$ **990,185**
NET OPERATING INCOME			$ **2,326,531**
DEBT SERVICE			
1. Principal and Interest		$ 1,819,719	
2. Mortg & Bond Serv Fee	0.50 %	133,550	
3. MIP	%		
4. Debt Service on Other Mortgage Loans	$ 69,796	$ 69,796	
AGENCY DEBT SERVICE		$ 2,023,065	
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$	
TOTAL DEBT SERVICE			$ 2,023,065
NET INCOME			$ **303,466**
Less Return on Equity (% on $)			- $
Project Profit/(Loss)			$ **303,466**

DEBT SERVICE RATIO CALCULATION :

DSR = NET OPERATING INCOME / AGENCY DEBT SERVICE = **1.15000**

New Mortgage Amount

26,710,000

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DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT:	Paulsboro Gardens Apartments
HMFA #:	08007
LOAN OFFICER:	Michael Elia
DATE:	4/14/25

Annual % of Rent Increase:	3.00%	
Annual Expense Increase:	4%	
Vacancy:	5.00	$174,564
Commercial Rent Increase:		
Commercial Vacancy:	0.00 %	

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
1	32	675	1,907	Low (9001)	137	1,770	56,640	679,680
1	31	675	1,937	Low (9001)	137	1,800	55,800	669,600
2	85	784	2,271	Low (9001)	171	2,100	178,500	2,142,000
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2	1	784	0	0	0	0	0	0
1	1	675	0	0	0	0	0	0
Total	150							3,491,280

Permanent Mortgage (1st Note)		26,710,000
Interest Rate:		6.25
Term:		40
Annual Payment:		1,819,719
Servicing Fee:	0.500	133,550
MIP:	0.000	0

2nd Note/Mortgage(Amortizing)		964,000
Interest Rate:	6.75	0.005625
Term in Years:	40	480
Annual Payment:		$69,796.32
Servicing Fee:		$0
		$69,796

FRM-CDBG	0
Interest Rate Annually:	
First Years Balance:	0

PILOT Calculation	Year 1	
Rental Income		
Gross Rental Income	3,491,280	
Less: Vacancy	-174,564	
Net Rental Income	3,316,716	
Less: Owner-pd Utilities	-122,367	
Basis for PILOT Calc.	3,194,349	
PILOT Rate	0.00	
PILOT Payment Estimate	$44,388	
Commercial:		Square Ft.
Gross Commercial Income	0	0
Less: Vacancy	(0.00)	
Net Commercial Income	0	
PILOT Rate	0.00%	
PILOT Payment Estimate	0	

Commercial $/sq. ft.
$0

PROJECTIONS	%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
RENTAL INCOME												
Apartment Rents		3,491,280	3,596,018	3,703,899	3,815,016	3,929,466	4,047,350	4,168,771	4,293,834	4,422,649	4,555,329	4,691,988
Less Vacancy Loss	5 %	-174,564	-179,801	-185,195	-190,751	-196,473	-202,368	-208,439	-214,692	-221,132	-227,766	-234,599
NET APT. RENTS		3,316,716	3,416,217	3,518,704	3,624,265	3,732,993	3,844,983	3,960,332	4,079,142	4,201,517	4,327,562	4,457,389
Commercial Income	$0	0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0.00	0	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS		0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:		**3,316,716**	**3,416,217**	**3,518,704**	**3,624,265**	**3,732,993**	**3,844,983**	**3,960,332**	**4,079,142**	**4,201,517**	**4,327,562**	**4,457,389**
OTHER INCOME												
Laundry Machines	$0	0	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME		0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE		3,316,716	3,416,217	3,518,704	3,624,265	3,732,993	3,844,983	3,960,332	4,079,142	4,201,517	4,327,562	4,457,389
OPERATING EXPENSES	Yearly Per Unit Cost											
Administrative	$324	48,672	50,619	52,644	54,749	56,939	59,217	61,586	64,049	66,611	69,275	72,046
Salaries and Benefits	$2,040	306,000	318,240	330,970	344,208	357,977	372,296	387,188	402,675	418,782	435,533	452,955
Maintenance & Repairs	$269	40,355	41,969	43,648	45,394	47,210	49,098	51,062	53,104	55,229	57,438	59,735
Maintenance Contracts	$497	74,500	77,480	80,579	83,802	87,154	90,641	94,266	98,037	101,958	106,037	110,278
Utilities	$816	122,367	127,262	132,352	137,646	143,152	148,878	154,833	161,027	167,468	174,166	181,133
Management Fee 68.00	$122,400	122,400	126,072	129,854	133,750	137,762	141,895	146,152	150,537	155,053	159,704	164,495
PILOT on Housing 0.00	$296	44,388	46,164	48,010	49,930	51,928	54,005	56,165	58,412	60,748	63,178	65,705
Insurance	$1,193	179,003	186,163	193,610	201,354	209,408	217,785	226,496	235,556	244,978	254,777	264,968
Replacement Reserves	$350	$52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500
PILOT on Comm.	$0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		990,185	1,026,468	1,064,166	1,103,335	1,144,030	1,186,314	1,230,248	1,275,896	1,323,326	1,372,609	1,423,816
Total Per Unit Cost		6,601	6,843	7,094	7,356	7,627	7,909	8,202	8,506	8,822	9,151	9,492
Expense/Income Ratio		0.30	0.30	0.30	0.30	0.31	0.31	0.31	0.31	0.31	0.32	0.32
INCOME AVAIL. FOR DEBT		2,326,531	2,389,749	2,454,538	2,520,931	2,588,963	2,658,669	2,730,085	2,803,246	2,878,190	2,954,953	3,033,573
Debt Service-1st Mortgage		1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269
Debt Service-2nd Note		69,796	69,796	69,796	69,796	69,796	69,796	69,796	69,796	69,796	69,796	69,796
Total Debt Service		2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065
Debt Service Ratio		1.15	1.18	1.21	1.25	1.28	1.31	1.35	1.39	1.42	1.46	1.50
DSR from Operations and Reserve		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service		303,466	366,684	431,472	497,865	565,897	635,604	707,020	780,181	855,125	931,888	1,010,507
	%	0	0	0	0	0	0	0	0	0	0	0
	%	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow		303,466	366,684	431,472	497,865	565,897	635,604	707,020	780,181	855,125	931,888	1,010,507
											0	
OPERATING RESERVE:												
Beginning Reserve Balance			0	0	0	0	0	0	0	0	0	0
Interest Income		0	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow		0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance		0	0	0	0	0	0	0	0	0	0	0

PROJECTIONS	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
RENTAL INCOME										
Apartment Rents	4,832,748	4,977,730	5,127,062	5,280,874	5,439,300	5,602,479	5,770,554	5,943,670	6,121,981	6,305,640
Less Vacancy Loss	-241,637	-248,887	-256,353	-264,044	-271,965	-280,124	-288,528	-297,184	-306,099	-315,282
NET APT. RENTS	4,591,111	4,728,844	4,870,709	5,016,831	5,167,335	5,322,356	5,482,026	5,646,487	5,815,882	5,990,358
Commercial Income	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**4,591,111**	**4,728,844**	**4,870,709**	**5,016,831**	**5,167,335**	**5,322,356**	**5,482,026**	**5,646,487**	**5,815,882**	**5,990,358**
OTHER INCOME										
Laundry Machines	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	4,591,111	4,728,844	4,870,709	5,016,831	5,167,335	5,322,356	5,482,026	5,646,487	5,815,882	5,990,358
OPERATING EXPENSES										
Administrative	74,928	77,925	81,042	84,284	87,656	91,162	94,808	98,601	102,545	106,646
Salaries and Benefits	471,073	489,916	509,512	529,893	551,089	573,132	596,058	619,900	644,696	670,484
Maintenance & Repairs	62,125	64,610	67,194	69,882	72,677	75,584	78,608	81,752	85,022	88,423
Maintenance Contracts	114,689	119,277	124,048	129,010	134,170	139,537	145,119	150,923	156,960	163,239
Utilities	188,378	195,914	203,750	211,900	220,376	229,191	238,359	247,893	257,809	268,121
Management Fee	169,430	174,513	179,749	185,141	190,695	196,416	202,309	208,378	214,629	221,068
PILOT on Housing	68,333	71,067	73,909	76,866	79,940	83,138	86,463	89,922	93,519	97,260
Insurance	275,567	286,590	298,053	309,975	322,374	335,269	348,680	362,627	377,132	392,218
Replacement Reserves	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500
PILOT on Comm.	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	1,477,024	1,532,311	1,589,758	1,649,451	1,711,477	1,775,930	1,842,903	1,912,496	1,984,812	2,059,958
Total Per Unit Cost	9,847	10,215	10,598	10,996	11,410	11,840	12,286	12,750	13,232	13,733
Expense/Income Ratio	0.32	0.32	0.33	0.33	0.33	0.33	0.34	0.34	0.34	0.34
INCOME AVAIL. FOR DEBT	3,114,087	3,196,533	3,280,951	3,367,380	3,455,858	3,546,426	3,639,124	3,733,991	3,831,070	3,930,400
Debt Service-1st Mortgage	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269
Debt Service-2nd Note	69,796	69,796	69,796	69,796	69,796	69,796	69,796	69,796	69,796	69,796
Total Debt Service	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065
Debt Service Ratio	1.54	1.58	1.62	1.66	1.71	1.75	1.80	1.85	1.89	1.94
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	1,091,021	1,173,468	1,257,886	1,344,315	1,432,793	1,523,361	1,616,058	1,710,926	1,808,005	1,907,335
%	0	0	0	0	0	0	0	0	0	0
%	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow	1,091,021	1,173,468	1,257,886	1,344,315	1,432,793	1,523,361	1,616,058	1,710,926	1,808,005	1,907,335
				0						
OPERATING RESERVE:										
Beginning Reserve Balance	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0	0	0	0

DEVELOPMENT: Paulsboro Gardens Apartments
HMFA #: 08007
LOAN OFFICER: Michael Elia
DATE: 4/14/25

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
6,494,809	6,689,654	6,890,343	7,097,053	7,309,965	7,529,264	7,755,142	7,987,796	8,227,430
-324,740	-334,483	-344,517	-354,853	-365,498	-376,463	-387,757	-399,390	-411,372
6,170,069	6,355,171	6,545,826	6,742,201	6,944,467	7,152,801	7,367,385	7,588,406	7,816,059
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
6,170,069	**6,355,171**	**6,545,826**	**6,742,201**	**6,944,467**	**7,152,801**	**7,367,385**	**7,588,406**	**7,816,059**
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
6,170,069	6,355,171	6,545,826	6,742,201	6,944,467	7,152,801	7,367,385	7,588,406	7,816,059
110,912	115,349	119,963	124,761	129,752	134,942	140,339	145,953	151,791
697,303	725,195	754,203	784,371	815,746	848,376	882,311	917,603	954,307
91,960	95,638	99,464	103,442	107,580	111,883	116,358	121,013	125,853
169,768	176,559	183,621	190,966	198,605	206,549	214,811	223,403	232,340
278,846	290,000	301,600	313,664	326,210	339,259	352,829	366,942	381,620
227,700	234,531	241,567	248,814	256,278	263,967	271,886	280,042	288,444
101,150	105,196	109,404	113,780	118,331	123,064	127,987	133,106	138,431
407,906	424,223	441,191	458,839	477,193	496,280	516,132	536,777	558,248
52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500	52,500
0	0	0	0	0	0	0	0	0
2,138,045	2,219,190	2,303,513	2,391,137	2,482,195	2,576,820	2,675,153	2,777,340	2,883,533
14,254	14,795	15,357	15,941	16,548	17,179	17,834	18,516	19,224
0.35	0.35	0.35	0.35	0.36	0.36	0.36	0.37	0.37
4,032,023	4,135,981	4,242,313	4,351,063	4,462,272	4,575,981	4,692,232	4,811,066	4,932,525
1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269	1,953,269
69,796	69,796	69,796	69,796	69,796	69,796	69,796	69,796	69,796
2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065	2,023,065
1.99	2.04	2.10	2.15	2.21	2.26	2.32	2.38	2.44
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,008,958	2,112,915	2,219,248	2,327,998	2,439,207	2,552,916	2,669,167	2,788,001	2,909,460
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,008,958	2,112,915	2,219,248	2,327,998	2,439,207	2,552,916	2,669,167	2,788,001	2,909,460
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A DECLARATION OF INTENT FOR THE PROJECT KNOWN AS THE APARTMENTS AT MINE HILL, HMFA #07953

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

.

Laura Shea
Assistant Secretary

Exhibit A

The Apartments at Mine Hill **May 1, 2025**
Mine Hill, Morris County
HMFA #07953
Developer: Kushner Real Estate Group
# of Units: 391
Population: Family

REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a "Declaration of Intent" stating the intention of the Agency, subject to the availability of volume cap, to issue tax-exempt bonds in an estimated amount not to exceed $21,708,000 in permanent only financing for a project known as The Apartments at Mine Hill, HMFA# 07953 (the "Project"). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the "Original Expenditures") associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the "Reimbursement Regulations") promulgated under the Internal Revenue Code of 1986, as amended (the "Code").

1. The Project will be a qualified residential rental project within the meaning of Code Sections 142(a)(7) and 142(d) and related Treasury Regulations. A brief, general description of the Project is set forth below.

2. The Original Expenditures to be reimbursed with the proceeds of the Bonds will be "capital expenditures" as defined in Treas. Reg. Section 1.150-1(b), costs of issuance for the Bonds, and/or expenditures described in Treas. Reg. Section 1.148-6(d)(3)(ii)(B) (relating to certain extraordinary working capital items).

3. Pursuant to the Reimbursement Regulations, with respect to each Original Expenditure to be reimbursed with proceeds of the Bonds, either (i) the date of the declaration of official intent is not later than 60 days after the payment of the Original Expenditure, or (ii) if the date of the declaration of official intent is more than 60 days after the payment of the Original Expenditure, the Original Expenditure must be a preliminary, pre-construction expenditure as described in Treas. Reg. Section 1.150-2(f)(2) and the total amount of such preliminary expenditures to be reimbursed with proceeds of the Bonds cannot exceed 20% of the proceeds of the Bonds.

4. This Request for Action expresses the Board's declaration of intent only. It does not authorize the Agency to issue the Bonds, which issuance may only be authorized by subsequent action adopted in accordance with law. The ability of the Project to conform to the Conduit Bond Program, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this Project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this Project any preference over any other project.

5. The following is a brief, general description of the Project based on current expectations regarding the Project:

Tax Exempt Loan Program (TEL)

Under a TEL initiative, a Freddie Mac Targeted Affordable Housing (TAH) servicer originates a direct tax-exempt loan, also called a Funding Loan, to a government entity such as city, county, or state housing agency that can issue tax-exempt multifamily housing bonds. Simultaneously, using the proceeds of the Funding Loan, the issuer makes another loan, the project loan, to the borrower to finance a specific housing project. Freddie Mac buys the funding loan from the servicer and holds it on its balance sheet before securitizing it with other tax-exempt loans.

The Project

The Project involves the new construction of a 391-unit luxury residential rental project comprised of nine 3-4.5-story building located at 177 Canfield Avenue Block 1102, Lot 1 and Block 1502, Lot 1. Of the 391 total units, 312 units will be market rate units, 78 units will be affordable units and 1 superintends unit.

There will be 5,500 square foot clubhouse that will contain a gym, a clubroom with a pool table and fireplace, a business center/meeting room, and a kitchen/dining area for residents to use for entertaining. Outdoor amenities will include a pool, sundeck, fire pits, grills, bocce courts, playground and dog run park.

There Project will include 97 one-bedroom units at 826 square feet, 38 one-bedroom loft units at 957 square feet, 161 two-bedroom units at 1,127 square feet, 87 two-bedroom loft at 1,284 square feet, and 16 three bedrooms at 1,252 square feet.

KRE Property Management Group Company LLC will manage the Project.

The Project is seeking 4% Low-Income Housing Tax Credits. For tax credit purposes, the Sponsor will select the 20% at 50% set aside of AMI option.

Exhibit A

Conduit Financing Structure

Government Lender – New Jersey Housing and Mortgage Finance Agency

Government Lender's Bond Counsel – To Be Determined

Fiscal Agent – US Bank National Association, the Agency, as Governmental Lender, will assign to the Fiscal Agent a Mortgage Assignment of Rents and Security Agreement, granted by the Borrower to the Agency.

Funding Lender – Grandbridge Real Estate Capital

Freddie Mac Seller/ Servicer – Grandbridge Real Estate Capital

Borrower – Canfield Avenue Urban Renewal LLC

Tax Credit Investor – PNC Bank

Agency Financing

The Agency will provide permanent only financing from the Conduit Bond Program in the estimated amount of $18,090,000, at an estimated interest rate of 7.14% (inclusive of the estimated tax-exempt rate of 6.64%, and Agency's annual administrative fee of .50 %). The term of the loan is estimated to be 28 years with an estimated amortization period of 40 years. The loan will be secured by a first mortgage lien on the property

<u>DOI Conditions:</u>

1. The Borrower has not justified to the Agency's satisfaction the reasonableness of the total development costs. Therefore, the Agency reserves the right to require that the Borrower provide a quantitative analysis and justification of the costs or the Agency will commission an independent analysis to confirm the cost, with the Sponsor paying for that analysis.

Exhibit A

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$7,544,000	($19,294/DU)	($18/SF)
Construction Cost (Including Contractor Fee)	$103,335,164	($264,284/DU)	($244/SF)
Contingencies	$6,468,164	($16,544/DU)	($15/SF)
Developer Fee	$20,300,000	($51,918/DU)	($48/SF)
Professional Fees	$6,265,166	($16,023/DU)	($15/SF)
Carrying Financing Costs	$19,291,159	($49,338/DU)	($46/SF)
Other Charges	$8,870,058	($22,686/DU)	($21/SF)
TOTAL DEVELOPMENT COST	$172,074,257	($440,088/DU)	(406/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage, Note I	$18,090,000	($46,266/DU)
LIHTC Equity ($***0.88)*** ***PNC Real Estate***	$10,283,757	($20,301/DU)
Deferred Developer Fee	$9,690,500	($24,784/DU)
Sponsors Equity	$67,000,000	($171,355/DU)
Grandbridge Taxable Loan	$67,010,000	($171,381/DU)
TOTAL PROPOSED PERMANENT SOURCES	$172,074,257	($440,088/DU)

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY CONDUIT BOND PROGRAM PERMANENT
SCHEDULE 10-A: PROJECT DESCRIPTION

		Date Action Taken				
X	Inducement	5/1/25	If a Closing Other Than Final - Indicate Type By Date			
	Commitment				HMFA#	07953
	Re-Commitment		Special Needs:		Date:	4/15/25
	Mtg. Extension		Other:		Prepared by:	Parth Patel
	Bond Sale		Other:		Reviewed by:	
	Final Closing		Other:			

The Apartment at Mine Hill
Project Name

Project Street Address	City	State	Zip Code:
17 Canfield Avenue	Mine Hill	NJ	07306

List Block followed by corresponding Lot and separated by a comma
Note # Only one Block and one lot per cell — Example: **31,3.05**

Municipality: Millstone Twp. (312)
County: Morris (27)

Block No.:

1102,1	1502,1			

Amortization Period:	40
Term of Mortgage (in years):	28
Construction Interest Rate	8.18%
Principle and Interest Rate	6.64%
Credit Enhancement Rate/Fee)	
Private Lender Fee/Rate:	
HMFA Annual Admin Fee	0.50%
Stacked Rate/Total:	7.14%

Type of Development
(Select Family or Senior Citizens, NOT BOTH)

Family	X
Senior Citizens	
Provide the following:	
Legislative District:	
Congressional District:	
Census Tract:	
No. of dwelling units	391
No. of occupied units	
Special Needs Units	
Special Needs Population	
Construction Term	24 (mos.)
Rent-up Period	12 (mos.)

Type of Construction

New Construction	X
Modular	
Moderate Rehabilitation	
Substantial Rehab.	
Conversion	
Rehabilitation/Occupied	

QCT	Yes
Smart Growth	Yes
Planning Area:	Metro
	(designate area)

Parking

Total Number of Parking Spaces: 877
Ratio of parking to D.U.'s: 2.20 : 1

Type of Financing

Tax Exempt	X
Taxable	

Tax Credits — Check One

4%	X
9%	
Historic	

Affordability — Check One

** 40% AT 60%	
*** 20% AT 50%	X
Income Averaging	

Type of Loan

Construction Loan Only	
Construction & Permanent Loan	
Permanent Loan Only	X

ENTER DOLLAR AMOUNT

Type of Subsidy	
Special Needs Program Funds	$
FRM-CDBG	$
Amt. of FRM-CDBG/Unit:	
Money Follows the Person	$
Fire Supression	$
Other	$
Other	$

Cost Summary

	$18,907	per DU	$17	per Sqft.
Construction Cost	$258,985	per DU	$237	per Sqft.
Total Project Cost	$431,264	per DU	$395	per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
Low Rise	9	3-4.5	1	826	97	80,122
			1 Loft	957	38	36,366
			2	1,127	161	181,447
			2 Loft	1,284	87	111,708
			3	1,252	16	20,032
Garage & Parking						
Commercial Space						
Common/Other Space	Clubhouse					5,500
Totals	9				399	435,175

Total Project Cost	172,074,257
Minus Eligible Costs:	
Reserves	8,387,333
Req Deferred Developer Fee	9,690,500
Non Basis Off Site Improvements	
=	153,996,424
Cost Per DU	385,956

Type of Enhancement

FHA, Fannie, Freddie	
Ginny Mae, LOC	Freddie Tel
Type of Purchase	Public
Public, Direct, Private	
Expiration Year of Current Subsidy/Mtg	
Section 8, Section 236 Project	
Year Current Mtg Expires	
Year Current HAP or IRP Expires	
HMFA Portfolio	

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

HMFA# 07953

X	Inducement	Prepared by:	Parth Patel
	Commitment	Reviewed by:	
	Re-Commitment		**Director of Technical Services** / Date
	Mtg. Extension		
	Bond Sale		**Director of Multifamily** / Date
	Closing		
			Managing Director of Multifamily
			Chief of Multifamily

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Source	Enter the total Loan Amount Here	Notes/Memo		Amount
a)	Other Lender Construction Loan (4)			$	85,100,000
b)	Sponsor Equity (171)			$	67,000,000
c)				$	
d)				$	
e)				$	
f)				$	
g)				$	
h)	**Deferred Developer's Fee**			$	11,283,749
	TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			$	163,383,749

2. USES of FUNDS DURING CONSTRUCTION:

Item	Notes		Amount	% of Cons't Cost OR Cost/Unit	Total
A. ACQUISITION COSTS:					
a) Land	@ ($ per Acre)	$	7,544,000		
b) Building Acquisition	**Should be between $15,000 & $25,000 per units**			**$19,294**	
c) Relocation					
d) Other:					7,544,000
B. CONSTRUCTION COSTS	**Total Acquisition as a percent of Total Project Costs:**	**4.38%**			
a) Demolition		$			
b) Off-site Improvements					
c) Residential Structures			65,929,206		
d) Community Service Facility					
e) Environmental Clearances					
f) Surety & Bonding	**should be between .75% and 2% of Construction Costs**		777,000	**0.75%**	
g) Building Permits			1,969,978		
h) Garage Parking	**garage should be approx $15,000/space; parking lot around $700/space**				
i) General Requirements	**should be about 6% of construction costs**		5,362,538	**5.91%**	
j) Contractor Overhead & Profit -	**should not exceed 8% of construction costs - usually 2% for Overhead & 6% for Profit**		7,209,192	**7.94%**	
k) Fire Suppression System					
m) Other	**Total Cons't Costs as a percent of Total Project Costs:**	**63.06%**	22,087,250		
					103,335,164
C. DEVELOPERS FEE - CONSTR/REHAB	**14.99%** **HMFA Policy is that the Developer fee is earned as a percentage of construction completion.**		20,300,000		
DEVELOPERS FEE - BUILDING	**Non-Deferred Amt:** $10,609,500 **7.83%**				20,300,000
D. CONTINGENCY	*Non-Deferred Amt on Building Acq Not to Exceeed 2% :*				
a) Hard Costs	5.000% **5% for New Construction & 10% for Rehabilitation**		5,166,758		
b) Soft Costs	5.000% **should be a Maximum of 5%**		1,301,952		6,468,710
E. PROFESSIONAL SERVICES					
a) Appraisal & Market Study		$	20,000		
b) Architect			3,035,750		
c) Engineer			1,870,256		
d) Attorney			1,304,160		
e) Cost Certification/Audit - **should not exceed $35,000**			35,000		
f) Environmental Consultant					
g) Historical Consultant					
h) Green Consultant					
i) Geotechnical Engineering Report					
j) Surveyor					
k) Professional Planner					
l) LEED Provider Contract fees, etc	**Total Professional fees as a % of Total Project Costs:**	**3.64%**			6,265,166
F. PRE-OPERATIONAL EXPENSES *	*** Non-eligible costs in TC basis**				
a) Operator fees (pre-construction completion) *	**Should not exceed $250 per unit**	$			
b) Advertising and Promotion (pre-construction completion)*			390,000		
c) Staffing and Start-up Supplies (pre-construction completion)*					
d) Other: *					
e) Other: *	**Total Pre Opt Costs as a % of Total Project Costs:**	**0.23%**			390,000
G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION	**(percentage of total development costs)**			**11.09%**	
a) Interest @ 8.8180 % for (36 mos.) on $ 85,100,000			12,182,065		
b) R.E. Tax $ 232,917 (per annum) x 3.00 Yrs.			815,210		
c) Insurance $ 354,304 (per annum) x 3.00 Yrs.			1,240,064		
d) Title Insurance and Recording Expenses			468,000		
e) Utility Connection Fees			3,006,120		
f) Other Lender's Points			7,500		
g) Other Lender Construction Financing Fee			1,039,350		
h) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the		122,400		
i) Negative Arbitrage **(if Bonds are sold during Construction)**	time the Development is under construciton, these costs			**(ESTIMATE)**	
j) Cost of Issuance **(If Bonds are sold during Construction)**	should be accounted for during the construction period.			**(ESTIMATE)**	
k) Furniture, Fixtures & Equipment (FF&E)			200,000		
	Total Carrying/Fin. Costs as % of Total Project Costs:	**11.09%**			19,080,709

3. USES OF FUNDS DURING CONSTRUCTION:	$	**163,383,749**
4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage):	$	(0)

PERMANENT LOAN CLOSING

5. SOURCES OF FUNDS FOR PERMANENT FUNDING:

		Notes/Memo		
a)	HMFA 1st Mortgage, NOTE I		$	18,090,000
b)	HMFA 1st. Mortgage, NOTE II	Grandbridge Taxable Loan	$	67,010,000
c)	LIHTC Equity (170)	LIHTC Installment I @ CO		750,000
d)	LIHTC Equity (170)	LIHTC Installment 2 @ Stablization @8609		9,033,757
e)	LIHTC Equity (170)	LIHTC Installment 3 @ 8609		500,000
f)			$	
g)			$	
h)			$	
	TOTAL SOURCES FOR PERMANENT CLOSING:		$	95,383,757

6. USES of FUNDS FOR PERMANENT CLOSING:

A. **DEVELOPER'S FEE:**					$	1,593,249
B. HMFA Points (to reduce annual servicing fee)"*		on	$			
C. HMFA Second Note Financing Fee "*		on	$			
D. SNHTF Financing Fee	3.0%	on	$			
E. CONSTRUCTION LOAN PAYOFF:					$	85,100,000
F. Construction Loan Interest Due(per diem)		on	$		$	
G. Negative Arbitrage **(ESTIMATE)**			(List Daily Amount)			
H. Cost of Issuance **(ESTIMATE)**						
I. Reimbursement of any Indemification Fee not dedicated to other costs						
J. TAX CREDIT FEES						120,000
K. R.E. Taxes due & Payable at Closing						
L. Title Insurance	# of days		(List Daily Amount)			
M. HMFA Loan per diem interest on NOTE I (if applicable)		on	$			
N. Outstanding Payments to Professional & Sub-contractors						
O. Payment and Performance Bond, 30% Warranty Bond, or 10% Letter of Credit						
P. HMFA Non Amortizing Debt Fee- 2 pts	0.50%	on	$ 18,090,000	90,450		90,450
Q. HMFA Issuance Fee- 50 bp	0.50%	on	$ 15,000,000	75,000		75,000
R. HMFA 1st Year Upfront Admin Fee-50bp	0.25%	on	$ 3,090,000	7,725		7,725
R. HMFA 1st Year Upfront Annual Fee-25bp	0.25%	on	$			
R. HMFA 1st Year Upfront Annual Fee-10bp	0.10%	on	$			
S. Misc Bond Issuance Fee						5,000
T.Trustee Fee						2,000
U. Trustee Counsel Fee						3,000
V. **ESCROW REQUIREMENTS:**	**Total Costs@ PermClosing as%of Total Project Costs:**			**1.05%**		
1) Working Capital Escrow						3,000,000
a) Debt Service & Operating Expenses						
b) Rental Agent Rent-up Fee (during Rent-up)						
c) Advertising and Promotion (during Rent-up)						
2) Other Escrows						
a) Insurance (1/2 YR.)					$	107,525
b) Taxes (1 Qtr.)					$	3,785,498
c) Debt Service Payment & Servicing Fee for 1 Month					$	
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months					$	
e) Repair & Replacement Reserves					$	
f) HMFA Operating Deficit Reserve					$	
g) Other: R & R paid by installment 2					$	425,000
h) Other: Syndicators Escrow paid by LIHT	**Total Escrows as a % of Total Project Costs:**			**3.13%**		1,069,310
7. USES OF FUNDS FOR PERMANENT CLOSING					$	**95,383,757**
8. BALANCE NEEDED TO CLOSE (overage / shortage):					$	
9. TOTAL PROJECT COSTS					$	**172,074,257**
10. MAXIMUM MORTGAGE LOAN	10.51 % of Item 10				$	18,090,000

11. 55% of Basis Test:

Aggregate Basis:	**$**	**162,993,749**
55% of Basis (estimated):		**89,646,562**
Less 1st Mtg., 1st Note:		18,090,000
Equals 1st. Mtg., 2nd Note Needed:		**71,556,562**

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE)

List Source

Interest @ ( ) mos.

Principal $

$

Total $

Total $

$

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________ (Developer or Authorized Signatory)

By: ______________________ NJHMFA Executive Director or Designee

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SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: Canfield Avenue Urban Renewal LLC
Dev. Name: The Apartment at Mine Hill

HMFA# 07953
Prepared by: Parth Patel — 04/15/25
Reviewed by: (Director of Asset Management) — Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	10,000
Telephone	15,000
Dues & Sub.	5,500
Postage	5,323
Insp. & Other Fees	5,000
Advertising	85,000
Legal Services	19,896
Auditing (Year End)	13,800
Soc. Serv. Suppl.	
Misc. Adm. Expenses	
Bookkeeping/Accounting	
and/or Computer Charges	7,488
Other:	24,692
TOTAL $	191,699

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	1.00	60,000
Janitorial	2.00	45,000
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin	2.00	100,000
Maintenance	2.00	100,000
Other Salaries:		
Empl. Benefits		91,500
Empl. Payroll Taxes		30,500
Worker's Comp.		9,150
Other:		
TOTAL $	7.00	436,150

III. MAINTENANCE AND REPAIRS

Masonary	25,000
Carpentry	25,000
Plumbing	50,000
Electrical	25,000
Kitchen Equipment	
Elevator	
Windows & Glass	25,000
Vehicles & Equip.	25,000
Snow Removal	50,000
Grounds & Landscaping	144,680
Paint & Dec. Supl.	23,656
Small Equip. & Tools	22,500
Janit. Sup. & Tools	22,500
HVAC Supplies	22,500
Misc. Maint. Suppl.	
Other:	
TOTAL $	460,836

IV. MAINTENANCE CONTRACTS

Security	
Elevator	
Rubbish Removal	50,000
Heating & AC Maint.	50,000
Grounds, Parking & Landscaping	
Exterminating	50,000
Cyclical Apt. Painting	45,500
Other:	
TOTAL $	195,500

V. UTILITY EXPENSE

Water Charges	120,000
Sewer Charges	120,000
Electricity	117,428
Gas	
Fuel	
Less Solar Energy Savings	
TOTAL $	357,428

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	$	12,505,896
Less Vacancy	(-)	625,295
Less Utilities (if applicable)	(-)	357,428
Gross Sheltered Rents	$	11,523,173
x Rate	x	%
Real Estate Taxes	$	

OR 1,892,749 ACTUAL TAXES IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	18,090,000		HMFA #	07953
Mortgage Interest Rate	6.64 %		Prepared by:	Parth Patel	04/15/25
Term (years)	40 Yrs.	**The Interest rate has been**	Reviewed by:	
Amortization (Y,S,M)	M	**reduced by:** ____ **basis points**			Date
FMR Area		**as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.**		

Date of Income Limits Chart Used: 04/01/24
Date of Utility Chart Used: 01/09/25

ANTICIPATED GROSS RENTS:

	No. of Bedrooms	No. of Units	% AMI	Gross Rent	Subsidy Type, if applicable	Subsidy Amount	Allowance for Tenant Paid Utilities***	Net Rent	Monthly
	1	2	30	733			130	603	1,206
	2	6	30	879			173	706	4,236
	3	2	30	1,016			214	802	1,604
	1	13	48	1,161			130	1,031	13,403
	2	41	48	1,392			173	1,219	49,979
	3	14	48	1,609			214	1,395	19,530
	1	82	Market	2,750				2,750	225,500
	1+ Loft	38	Market	2,900				2,900	110,200
	2	114	Market	3,150				3,150	359,100
	2+ Loft	78	Market	3,300				3,300	257,400
Super's Apt.*	2	1							

TOTALS **391**

Monthly Rents **1,042,158**

Anticipated Annual Gross Rents **12,505,896**

* Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put $0 in the Rent column.

** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income. **NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.**
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom

*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:		(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	X	Heat	Gas	Individual	Yes
Refrigerator	X	Hot Water	Gas	Individual	Yes
Air Conditioning	Central Air	Cooking	Gas	Individual	Yes
Laundry Facilities	X	Air Conditioning	Electric	Individual	Yes
Disposal	X	Household Electric		Individual	Yes
Dishwasher		Water		Master Meter	
Carpet	X	Sewer			
Drapes	X	Parking			
Swimming Pool		Other:			
Tennis Court		Other:			
Other:					

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart	x	**Utility Company Estimates**	
HUD Utility Schedule Model		**Energy Consumption Model**	

COMMERCIAL SPACE
(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: Canfield Avenue Urban Renewal LLC
Dev. Name: The Apartment at Mine Hill

HMFA# 07953
Prepared by: Parth Patel 04/15/25
Reviewed by:
(Director of Asset Management - Expenses Only) Date

RENTAL INCOME

Apartment Rents		$	12,505,896
Vacancy Loss	(5.00 %) -		625,295
NET APT. RENTS			11,880,601
Commercial Income	per Sq. Ft.	$	
Garage & Parking	per Sq. Ft.		
Commercial Vacancy	%		
NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME		$	11,880,601

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OTHER INCOME			
Laundry Machines		$	
Other:			
TOTAL OTHER INCOME		$	
TOTAL REVENUE			$ **11,880,601**
EXPENSES			
Administrative	(Schedule I)	$ 191,699	
Salaries	(Schedule II)	436,150	
Maint. & Repairs	(Schedule III)	460,836	
Maint. Contracts	(Schedule IV)	195,500	
Utilities	(Schedule V)	357,428	
Management Fee	70.00 per unit	328,440	* Should be between $57 & $73 per unit per month
P.I.L.O.T. on Commercial Income(	%)		
Real Estate Taxes	(Schedule VI)	1,892,749	
Insurance	$550 per Unit	215,050	**2-Story & below - $500; 3-Story & above - $550**
Reserve for Repair and Replacement	300.00 per unit	117,300	
TOTAL EXPENSES			$ **4,195,152**
NET OPERATING INCOME			$ **7,685,449**
DEBT SERVICE			
1. Principal and Interest		$ 1,292,622	
2. Mortg & Bond Serv Fee	0.50 %	75,000	
3 MIP	0.2500 %	7,725	
4. Debt Service on Other Mortgage Loans	$ 5,020,433	$ 5,020,433	
AGENCY DEBT SERVICE		$ 6,395,780	
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$	
TOTAL DEBT SERVICE			$ 6,395,780
NET INCOME			$ **1,289,669**
Less Return on Equity	(% on $	)	- $
Project Profit/(Loss)			$ **1,289,669**

DEBT SERVICE RATIO CALCULATION :

$$\text{DSR} = \frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}} = \mathbf{1.20}$$

New Mortgage Amount

18,090,000

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT:	The Apartment at Mine Hill
HMFA #:	07953
LOAN OFFICER:	Parth Patel
DATE:	4/15/25

Annual % of Rent Increase:	3.00%	
Annual Expense Increase:	4%	
Vacancy:	5.00	$625,295
Commercial Rent Increase:		
Commercial Vacancy:	0.00 %	

Permanent Mortgage (1st Note)		18,090,000
Interest Rate:		6.64
Term:		40
Annual Payment:		1,292,622
Servicing Fee:	0.500	75,000
MIP:	0.250	7,725

2nd Note/Mortgage(Amortizing)		67,010,000
Interest Rate:	7.04	0.005867
Term in Years:	40	480
Annual Payment:		$5,020,433.36
Servicing Fee:		$0
		$5,020,433

FRM-CDBG	0
Interest Rate Annually:	
First Years Balance:	0

DEVELOPMENT:	The Apartment at Mine Hill
HMFA #:	07953
LOAN OFFICER:	Parth Patel
DATE:	4/15/25

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
1	2	0	733	Low (9001)	130	603	1,206	14,472
2	6	0	879	Low (9001)	173	706	4,236	50,832
3	2	0	1,016	Low (9001)	214	802	1,604	19,248
0	0	0	0	0	0	0	0	0
1	13	0	1,161	Mod (9002)	130	1,031	13,403	160,836
2	41	0	1,392	Mod (9002)	173	1,219	49,979	599,748
3	14	0	1,609	Mod (9002)	214	1,395	19,530	234,360
0	0	0	0	0	0	0	0	0
1	82	0	2,750	Market (9003)	0	2,750	225,500	2,706,000
1+ Loft	38	0	2,900	Market (9003)	0	2,900	110,200	1,322,400
2	114	0	3,150	Market (9003)	0	3,150	359,100	4,309,200
2+ Loft	78	0	3,300	Market (9003)	0	3,300	257,400	3,088,800
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2	1	0	0	0	0	0	0	0
Total	391							12,505,896

PILOT Calculation	Year 1	
Rental Income		
Gross Rental Income	12,505,896	
Less: Vacancy	-625,295	
Net Rental Income	11,880,601	
Less: Owner-pd Utilities	-357,428	
Basis for PILOT Calc.	11,523,173	
PILOT Rate	0.00	
PILOT Payment Estimate	$1,892,749	
Commercial:		**Square Ft.**
Gross Commercial Income	0	5,500
Less: Vacancy	(0.00)	
Net Commercial Income	0	
PILOT Rate	0.00%	
PILOT Payment Estimate	0	

Commercial
$/sq. ft.
$0

PROJECTIONS	%	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**
RENTAL INCOME								
Apartment Rents		12,505,896	12,881,073	13,267,505	13,665,530	14,075,496	14,497,761	14,932,694
Less Vacancy Loss	5 %	-625,295	-644,054	-663,375	-683,277	-703,775	-724,888	-746,635
NET APT. RENTS		11,880,601	12,237,019	12,604,130	12,982,254	13,371,721	13,772,873	14,186,059
Commercial Income	$0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0.00	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS		0	0	0	0	0	0	0
TOTAL RENTAL INCOME:		**11,880,601**	**12,237,019**	**12,604,130**	**12,982,254**	**13,371,721**	**13,772,873**	**14,186,059**
OTHER INCOME								
Laundry Machines	$0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME		0	0	0	0	0	0	0
TOTAL REVENUE		11,880,601	12,237,019	12,604,130	12,982,254	13,371,721	13,772,873	14,186,059
OPERATING EXPENSES	Yearly Per Unit Cost							
Administrative	$490	191,699	199,367	207,342	215,635	224,261	233,231	242,560
Salaries and Benefits	$1,115	436,150	453,596	471,740	490,609	510,234	530,643	551,869
Maintenance & Repairs	$1,179	460,836	479,269	498,440	518,378	539,113	560,677	583,105
Maintenance Contracts	$500	195,500	203,320	211,453	219,911	228,707	237,856	247,370
Utilities	$914	357,428	371,725	386,594	402,058	418,140	434,866	452,260
Management Fee 70.00	$328,440	328,440	338,293	348,442	358,895	369,662	380,752	392,175
PILOT on Housing 0.00	$4,841	1,892,749	1,968,459	2,047,197	2,129,085	2,214,249	2,302,819	2,394,931
Insurance	$550	215,050	223,652	232,598	241,902	251,578	261,641	272,107
Replacement Reserves $300	$117,300	117,300	117,300	117,300	117,300	117,300	117,300	117,300
PILOT on Comm.	$0	0	0	0	0	0	0	0
TOTAL EXPENSES		4,195,152	4,354,982	4,521,106	4,693,774	4,873,244	5,059,785	5,253,677
Total Per Unit Cost		10,729	11,138	11,563	12,005	12,464	12,941	13,437
Expense/Income Ratio		0.35	0.36	0.36	0.36	0.36	0.37	0.37
INCOME AVAIL. FOR DEBT		7,685,449	7,882,038	8,083,024	8,288,480	8,498,477	8,713,088	8,932,382
Debt Service-1st Mortgage		1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347
Debt Service-2nd Note		5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433
Total Debt Service		6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780
Debt Service Ratio		1.20	1.23	1.26	1.30	1.33	1.36	1.40
DSR from Operations and Reserve		0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service		1,289,669	1,486,257	1,687,243	1,892,699	2,102,697	2,317,308	2,536,602
	%	0	0	0	0	0	0	0
	%	0	0	0	0	0	0	0
Remaining Cash Flow		1,289,669	1,486,257	1,687,243	1,892,699	2,102,697	2,317,308	2,536,602
OPERATING RESERVE:								
Beginning Reserve Balance			0	0	0	0	0	0
Interest Income		0	0	0	0	0	0	0
Less Neg. Cash Flow		0	0	0	0	0	0	0
Ending Reserve Balance		0	0	0	0	0	0	0

PROJECTIONS	**Year 8**	**Year 9**	**Year 10**	**Year 11**	**Year 12**	**Year 13**	**Year 14**
RENTAL INCOME							
Apartment Rents	15,380,675	15,842,095	16,317,358	16,806,878	17,311,085	17,830,417	18,365,330
Less Vacancy Loss	-769,034	-792,105	-815,868	-840,344	-865,554	-891,521	-918,266
NET APT. RENTS	14,611,641	15,049,990	15,501,490	15,966,535	16,445,531	16,938,897	17,447,063
Commercial Income	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**14,611,641**	**15,049,990**	**15,501,490**	**15,966,535**	**16,445,531**	**16,938,897**	**17,447,063**
OTHER INCOME							
Laundry Machines	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0
TOTAL OTHER INCOME	0	0	0	0	0	0	0
TOTAL REVENUE	14,611,641	15,049,990	15,501,490	15,966,535	16,445,531	16,938,897	17,447,063
OPERATING EXPENSES							
Administrative	252,263	262,353	272,847	283,761	295,112	306,916	319,193
Salaries and Benefits	573,944	596,901	620,777	645,609	671,433	698,290	726,222
Maintenance & Repairs	606,429	630,686	655,913	682,150	709,436	737,813	767,326
Maintenance Contracts	257,265	267,555	278,257	289,388	300,963	313,002	325,522
Utilities	470,351	489,165	508,731	529,081	550,244	572,254	595,144
Management Fee	403,940	416,058	428,540	441,396	454,638	468,277	482,325
PILOT on Housing	2,490,729	2,590,358	2,693,972	2,801,731	2,913,800	3,030,352	3,151,566
Insurance	282,991	294,311	306,083	318,327	331,060	344,302	358,074
Replacement Reserves	117,300	117,300	117,300	117,300	117,300	117,300	117,300
PILOT on Comm.	0	0	0	0	0	0	0
TOTAL EXPENSES	5,455,210	5,664,687	5,882,422	6,108,742	6,343,985	6,588,506	6,842,672
Total Per Unit Cost	13,952	14,488	15,045	15,623	16,225	16,850	17,500
Expense/Income Ratio	0.37	0.38	0.38	0.38	0.39	0.39	0.39
INCOME AVAIL. FOR DEBT	9,156,431	9,385,303	9,619,068	9,857,793	10,101,545	10,350,390	10,604,392
Debt Service-1st Mortgage	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347
Debt Service-2nd Note	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433
Total Debt Service	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780
Debt Service Ratio	1.43	1.47	1.50	1.54	1.58	1.62	1.66
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	2,760,650	2,989,523	3,223,287	3,462,013	3,705,765	3,954,610	4,208,611
%	0	0	0	0	0	0	0
%	0	0	0	0	0	0	0
Remaining Cash Flow	2,760,650	2,989,523	3,223,287	3,462,013	3,705,765	3,954,610	4,208,611
			0				
OPERATING RESERVE:							
Beginning Reserve Balance	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0

PROJECTIONS	**Year 15**	**Year 16**	**Year 17**	**Year 18**	**Year 19**	**Year 20**	**Year 21**
RENTAL INCOME							
Apartment Rents	18,916,290	19,483,778	20,068,292	20,670,341	21,290,451	21,929,164	22,587,039
Less Vacancy Loss	-945,814	-974,189	-1,003,415	-1,033,517	-1,064,523	-1,096,458	-1,129,352
NET APT. RENTS	17,970,475	18,509,590	19,064,877	19,636,824	20,225,928	20,832,706	21,457,687
Commercial Income	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**17,970,475**	**18,509,590**	**19,064,877**	**19,636,824**	**20,225,928**	**20,832,706**	**21,457,687**
OTHER INCOME							
Laundry Machines	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0
TOTAL OTHER INCOME	0	0	0	0	0	0	0
TOTAL REVENUE	17,970,475	18,509,590	19,064,877	19,636,824	20,225,928	20,832,706	21,457,687
OPERATING EXPENSES							
Administrative	331,961	345,239	359,049	373,411	388,347	403,881	420,036
Salaries and Benefits	755,271	785,482	816,901	849,577	883,560	918,902	955,658
Maintenance & Repairs	798,019	829,940	863,137	897,663	933,569	970,912	1,009,748
Maintenance Contracts	338,543	352,084	366,168	380,815	396,047	411,889	428,365
Utilities	618,950	643,708	669,456	696,234	724,084	753,047	783,169
Management Fee	496,795	511,699	527,050	542,861	559,147	575,922	593,199
PILOT on Housing	3,277,629	3,408,734	3,545,083	3,686,887	3,834,362	3,987,737	4,147,246
Insurance	372,397	387,293	402,785	418,896	435,652	453,078	471,201
Replacement Reserves	117,300	117,300	117,300	117,300	117,300	117,300	117,300
PILOT on Comm.	0	0	0	0	0	0	0
TOTAL EXPENSES	7,106,863	7,381,478	7,666,928	7,963,643	8,272,068	8,592,667	8,925,923
Total Per Unit Cost	18,176	18,878	19,609	20,367	21,156	21,976	22,828
Expense/Income Ratio	0.40	0.40	0.40	0.41	0.41	0.41	0.42
INCOME AVAIL. FOR DEBT	10,863,612	11,128,112	11,397,949	11,673,181	11,953,860	12,240,039	12,531,765
Debt Service-1st Mortgage	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347
Debt Service-2nd Note	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433
Total Debt Service	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780
Debt Service Ratio	1.70	1.74	1.78	1.83	1.87	1.91	1.96
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	4,467,831	4,732,331	5,002,169	5,277,400	5,558,080	5,844,259	6,135,984
%	0	0	0	0	0	0	0
%	0	0	0	0	0	0	0
Remaining Cash Flow	4,467,831	4,732,331	5,002,169	5,277,400	5,558,080	5,844,259	6,135,984
	0						
OPERATING RESERVE:							
Beginning Reserve Balance	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0

MULTIFAMILY CASH FLOW

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
23,264,650	23,962,590	24,681,468	25,421,912	26,184,569	26,970,106	27,779,209	28,612,586	29,470,963
-1,163,233	-1,198,129	-1,234,073	-1,271,096	-1,309,228	-1,348,505	-1,388,960	-1,430,629	-1,473,548
22,101,418	22,764,460	23,447,394	24,150,816	24,875,341	25,621,601	26,390,249	27,181,956	27,997,415
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
22,101,418	**22,764,460**	**23,447,394**	**24,150,816**	**24,875,341**	**25,621,601**	**26,390,249**	**27,181,956**	**27,997,415**
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
22,101,418	22,764,460	23,447,394	24,150,816	24,875,341	25,621,601	26,390,249	27,181,956	27,997,415
436,838	454,311	472,484	491,383	511,038	531,480	552,739	574,848	597,842
993,885	1,033,640	1,074,986	1,117,985	1,162,705	1,209,213	1,257,581	1,307,884	1,360,200
1,050,138	1,092,144	1,135,830	1,181,263	1,228,513	1,277,654	1,328,760	1,381,910	1,437,187
445,499	463,319	481,852	501,126	521,171	542,018	563,699	586,246	609,696
814,496	847,075	880,958	916,197	952,845	990,958	1,030,597	1,071,821	1,114,693
610,995	629,325	648,205	667,651	687,680	708,311	729,560	751,447	773,990
4,313,136	4,485,661	4,665,088	4,851,691	5,045,759	5,247,589	5,457,493	5,675,793	5,902,824
490,049	509,651	530,037	551,239	573,288	596,220	620,068	644,871	670,666
117,300	117,300	117,300	117,300	117,300	117,300	117,300	117,300	117,300
0	0	0	0	0	0	0	0	0
9,272,335	9,632,427	10,006,739	10,395,834	10,800,299	11,220,742	11,657,797	12,112,121	12,584,400
23,714	24,635	25,593	26,588	27,622	28,698	29,815	30,977	32,185
0.42	0.42	0.43	0.43	0.43	0.44	0.44	0.45	0.45
12,829,082	13,132,033	13,440,655	13,754,982	14,075,041	14,400,858	14,732,452	15,069,835	15,413,015
1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347	1,375,347
5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433	5,020,433
6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780	6,395,780
2.01	2.05	2.10	2.15	2.20	2.25	2.30	2.36	2.41
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6,433,302	6,736,253	7,044,875	7,359,201	7,679,261	8,005,078	8,336,672	8,674,055	9,017,235
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
6,433,302	6,736,253	7,044,875	7,359,201	7,679,261	8,005,078	8,336,672	8,674,055	9,017,235
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A MORTGAGE FINANCING RECOMMITMENT FOR THE PROJECT KNOWN AS HIGHLAND VIEWS PHASE I, HMFA #07879

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

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Laura Shea
Assistant Secretary

Exhibit A

Highland Views Phase I **May 1, 2025**
Newark, Essex County
HMFA #07820
Developer: MAR Acquisition Group, LLC
# of Units: 86 units including 18 units set aside for Homeless Individuals
Population: Senior 55+

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

1. Approval of a mortgage loan recommitment for an estimated $14,957,000 in permanent only financing from the Agency Revenue Bond Financing Program for a project known as Highland Views Phase I HMFA #07820 (the "Project"), upon the terms and conditions set forth below.

2. Approval of a subsidy mortgage loan recommitment for an estimated $2,700,000 in construction and permanent financing from the Special Needs Housing Trust Fund ("SNHTF" Program), upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

On September 7, 2023, the Agency Board approved a commitment for permanent financing which expires on February 28, 2026. Closing with the construction lender, Citizens Bank, was delayed due to the building permits and the Project's LIHTC investor, PNC Bank, N.A, required an interest rate lock. Due to the delays, the construction lender has requested the HMFA commitment's expiration date be aligned with their term in order to close on the construction loan. The Sponsor has provided the required due diligence and staff supports the recommitment to extend the expiration date to November 1, 2027.

The Sponsor is applying for 4% Low Income Housing Tax Credits ("LIHTC").

Construction is anticipated to commence in July 2025 with an anticipated completion date in July 2027.

Prior Board Approval

On November 3, 2022, the Agency Board approved a Declaration of Intent for construction and permanent financing.

On September 7, 2023, the Agency Board approved a commitment for permanent financing.

Exhibit A

On June 27, 2024, the Agency Board approved a modification for construction and permanent financing.

The Applicant/Developer

MAR Acquisition Group, LLC, (the "Developer") located in Elizabeth, New Jersey is the applicant and developer for the project's financing. The applicant will also act as the developer and managing agent for the Project.

MAR Developer Group, LLC has secured permanent financing from the Agency for the following projects: Linden Senior Housing, HMFA #02555; Roselle Senior Housing, HMFA #02193; and 84-86 First Street Housing, HMFA#02555; Union Avenue, HMFA#01435; East Grand Street, HMFA #01444; and Highland Views Phase II, HMFA #07817.

The Sponsor/Borrower

The applicant for the Project's financing has formed a limited liability company known as MAR NHA WSV Phase 1 LLC, such entity also to be known as the "Sponsor" and/or "Borrower". MAR Westside Phase 1 LLC will be the managing member of MAR NHA WSV Phase 1 LLC at 0.0050% ownership interest. Newark Housing Authority will be member of MAR NHA WSV Phase 1 LLC at 0.0050% ownership interest. The equity investor member will be PNC Bank, N.A. and its successors and/or assigns (the "Tax Credit Investor" or "LIHTC Syndicator") with a 99.99% ownership interest.

General Contractor

RAMAS Contractors LLC will serve as the general contractor for the Project. RAMAS Contractors LLC is a new joint venture that is owned and operated by the principals of MAR Acquisition Group, LLC and CIS Construction, LLC. Both companies have acted as the general contractor on numerous Agency financed projects including Roselle Senior Housing HMFA #02193, Linden Senior Housing HMFA #02254, and Heritage Village at Galloway HMFA #02977.

Acquisition

On June 23, 2022, the Housing Authority of the City of Newark and MAR NHA WSV Phase 1 LLC (the "Company") a single purpose entity of MAR Acquisition Group, LLC entered an option to lease agreement for a sum of $1.00. The term of the ground lease will be at least seventy-five (75) years. The Partnership shall pay to the Housing Authority of the City of Newark as initial rent the sum of $500,000 to be paid on the date of the execution of the lease.

Per the appraisal report dated May 16, 2024 the "as is" value) of the property is $2,000,000.

Exhibit A

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed Project, $500,000 is recognized for acquisition costs.

The Project

The Project involves the redevelopment of a 2.35-acre parcel owned by the Newark Housing Authority, located at 530-570 South Street, Newark, Essex County. The property, which will be a portion of Block 310, Lot 1 on the tax maps of Newark (the "Property"), is currently composed of nine two-story apartment buildings that have fallen into disrepair and are unoccupied. The existing structures are planned for demolition to make way for new senior housing to be developed in two phases. The property will be subdivided into a 1.14-arce lot and a 1.21-acre lot, with Highland Views, Phase 1 occupying the former. The Project will comprise of a new low-rise four-story building, containing eighty-six (86) age-restricted dwelling units for residents 55 years or older. The development will offer eighty (80) 700 square feet one-bedroom units and six (6) 950 square feet two-bedroom units, which includes a non-revenue producing superintendent's unit. The one-bedroom units Section 8 net rent is $1,708 and the two-bedroom units Section 8 net rent is $2,060. The Housing Authority of the City of Newark has committed to providing 86 Section 8 Housing Choice Vouchers to the Project. The term of the rental assistance vouchers will be 40 years.

The Project will provide laundry rooms, management staff and 24-hour maintenance staff response, an on-site community room for the residents for uses such as educational programs, social gatherings, and resident activities, and a recreation and fitness center. A surface parking lot with 45 spaces will be available to the residents.

For Special Needs purposes, eighteen (18) one-bedroom units will be set aside for homeless individuals. Social Services for these residents will be provided by the Catholic Charites of the Archdiocese of Newark.

The Project will be managed by MAR Acquisition Group, LLC.

The Project is seeking 4% Low-Income Housing Tax Credits. For the LIHTC purposes, the Sponsor has elected the 40% at 60% AMI.

Market Analysis

The Project will likely draw its potential residents from the City of Newark and the surrounding market area of Essex County. The Project provides convenient commuter access via Garden State Parkway and Springfield Avenue. The capture rate, defined as the estimated percentage of the total potential market for a type of property that is currently absorbed by existing facilities or is forecast to be absorbed by proposed facilities, is 3.14%. The projected absorption or forecast is that all 86 unit will be fully leased by completion of the construction period estimated at 18 months. The capitalization rate, the ratio between the net operating income and the current value of the property, is 5.25%, as per the appraisal report dated May 16, 2024.

Exhibit A

Social Services Provider

Catholic Charities of the Archdiocese of Newark (CCAN) will be the social services provider for Highland Views Phase I. With over 100 years of experience, CCAN will dedicate service coordinate and case management staff to the Project for a minimum of 20 hours/week for the eighteen (18) special needs units in the Project. CCAN will provide linkages to mainstream resources; and access, access, linkages and on-going follow-up to existing community resources that include but are not limited to:

- Employment programs including job training and job search assistance.
- Education programs including GED tutoring, literacy training, and linkages to higher education.
- Financial management training from a qualified provider and on-going budget support.
- Linkage and on-going follow-up services to health care, including dental care, and physical health and primary health care prevention services.
- Other services including mental health care, addiction services, social skills training, wellness programs, etc.

CCAN will maintain a 24 hours per day, 7 days per week on-call crisis response capability. All services will be provided on site at the Project, services will available to resident on a voluntary basis and will not be a condition of residency. There will be no out of pocket expenses for supportive services or case management services.

Operations

The Housing Authority of the City of Newark ("NHA") has committed 86 40-year Section 8 Project Based Housing Choice Vouchers.

Agency Financing

The Agency will provide permanent loan financing in the estimated amount of $14,956,281. This loan will be evidenced by two mortgage notes. Both notes will be secured by a first mortgage lien on the Property. Note I is anticipated to be in the amount of $12,223,231, at an estimated annual interest rate of 5.45%, for an estimated term of 32 years. In order to meet the 55% aggregate basis test, as required by the Agency's underwriting guidelines, Note II must be funded through bond proceeds in an amount anticipated to be $2,733,050, at an estimated interest rate of 3.95%, with a maturity date of 24 months from the date of loan closing. Note II will be additionally secured by an assignment of syndication proceeds.

The Agency will provide a construction and permanent loan from the SNHTF in an estimated amount of $2,700,000, at an estimated annual interest rate of 0% during construction and an estimated 1% interest rate at permanent rollover for an estimated term of 32 years from permanent conversion. This loan will be repaid with twenty-five percent (25%) of the Project's available cash flow. This mortgage will be secured by a subordinate lien on the Property.

Exhibit A

Escrow Requirements

Working Capital — The Multifamily Program and Lending Guidelines require that a debt service and operating expense reserve be established in the estimated amount of $567,612 to be held by the Agency.

Insurance — The Multifamily Program and Lending Guidelines require that a 1/2-year insurance reserve be established in the amount of $30,100 to be held by the Agency.

Taxes — The Multifamily Program and Lending Guidelines require that a 1/4-year tax reserve be established in the amount of $20,133 to be held by the Agency.

Debt Service Payment and Servicing Fee for One Month — The Multifamily Program and Lending Guidelines require that a debt service payment and servicing fee reserve of one month be established in the amount of $71,406 to be held by the Agency.

Operating Reserve — The LIHTC syndicator has required that an operating reserve be established in the amount of $395,166, funded and held by syndicator.

Other Funding Sources

LIHTC — The Sponsor is applying for 4% federal LIHTC and anticipates the sale of the tax credits at 0.885 cents on the dollar. In exchange for the tax credits, the investor, PNC Bank, N.A., is expected to generate equity for the Project in the amount of $11,819,499.

Newark Housing Authority Loan — The Sponsor has received a construction and permanent financing commitment in amount of $1,772,937 from the Newark Housing Authority.

Construction Financing — The Sponsor has received a construction commitment from Citizens Bank in the amount of $18,250,000 at a rate of Daily Simple SOFR plus 250 basis points, for thirty (30) months.

Deferred Developer Fee — The Sponsor will provide deferred developer fee in the aggregate amount of $3,339,190 during construction of which $1,685,246 is anticipated to be paid at permanent take-out, leaving $1,653,944 in the deal. **The deferred portion of the developer fee shall be achieved from cash flow after payment of debt service, operating expenses and funding of all required escrows and reserves. Return on Equity will be achieved after the collection of the deferred developer fee.**

Terms and Conditions

Borrower:	MAR NHA WSV Phase 1 LLC, such entity to be called below the “Sponsor.” This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.
Use of loan funds:	Take-out permanent financing for new construction of a multifamily rental housing project known as Highland Views Phase I, HMFA #07820 (the “Project”). Special Needs Housing Trust Fund construction and permanent financing for the Project.
Principal:	First mortgage loan; Note I at $12,223,231 and Note II at $2,733,050 provided, however, that the Executive Director is authorized to adjust this amount pursuant to the Underwriting Parameters set forth below. Subordinate Special Needs Housing Trust Fund mortgage loan in the amount of $2,700,000.
Permanent Interest:	First mortgage loan, Note I at 5.45% per annum, and Note II at 3.95%, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below. Subordinate Special Needs Housing Trust Fund mortgage loan at 1% interest.
Annual Servicing Fee:	Loan is underwritten using an annual servicing fee of 40 Basis points if Borrower pays two points to reduce the servicing fee and the 2% tax credit allocation fee.
Permanent Term:	First mortgage loan, Note I at 32 years and First mortgage loan, Note II at 24 months from the date of loan closing.

Exhibit A

	Subordinate Special Needs Housing Trust Fund mortgage loan at 32 years.
Collateral:	First leasehold mortgage, Note I and Note II lien on Project real estate; security interest in personal property included in the Project; First mortgage Note II an assignment of syndication proceeds and/or whatever other funds that are listed as payoff of Note II, as listed in conditions # 8, 9, and 10 below.
Repayment:	First mortgage loan, Note I will be repaid from Project Revenues Note II will be repaid from tax credit equity or other sources available to the Sponsor. Subordinate SNHTF mortgage loan will be repaid from 25% of the Project's cash flow.
Source of loan funds:	Tax-exempt bonds, SNHTF funds, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.
Underwriting parameters:	The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) the debt service coverage ratio, 2) term of the loan, 3) the interest rate, 4) the income and expense projections, and 5) the sources and uses of project development funds. Using a minimum required debt service coverage ratio of 1.15, a term of 32 years, an interest rate of 5.45% per annum, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $12,223,231. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage loan amount that the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 through 5 above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or if the Agency's risk assessment dictates a revised minimum debt service coverage ratio, then the mortgage loan amount may be adjusted to an amount that would maintain the Agency-determined appropriate debt service coverage ratio The First Mortgage, Note II loan amount is determined by: 1) the amount of funds needed to achieve 55% coverage of

the aggregate project costs and 2) evidence of sources of funds to repay loan evidenced by Note II at the time of its maturity. The Project can support a First Mortgage Loan, Note II loan amount of $2,733,050, as set forth on the attached Form 10. The Note II will accrue simple interest at an estimated rate of 3.95% per annum with a term of 24 months. Items 1 and 2 are variable factors that can change between mortgage loan commitment and closing. If the projected net operating income changes due to increases or decreases in income and/or expenses or if the sources and uses of project development funds changes, then the Note I and/or Note II loan amounts may be adjusted commensurately. As such changes impact the mortgage loan the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 and 2 as stated above to reflect changes to the variable factors.

The working capital amount is derived through a projection of the 1) completion date of the project, 2) the number of units to be occupied at the time the Agency closes its permanent loan, 3) the actual rents, other income, debt service and operating expenses at time of loan closing, 4) the projected amount of time to rent up the remaining units to reach sustaining occupancy and 5) market conditions as reflected in the appraisal/market study. If the actual factors at the time the Agency makes its loan are different from what is projected in this commitment, Agency staff is hereby authorized to adjust the working capital to reflect the actual factors.

Affordability Controls: For affordability controls, the Sponsor has selected 40% at 60% set-aside, meaning 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the AMI.

For purposes of calculating return on equity, 53% of units are projected to be occupied by low-income households (earning less than 50% of AMI) and, 47% of units are projected to be moderate income households (earning 50% to 80% of AMI; however, the number of units and percentages listed above can carry so long as it would not change the ability of the loan to be underwritten as approved and so long as the Executive Director approves same.

18 units are set aside for purposes of the Special Needs Housing Trust Fund for the homeless individuals and families.

Commitment Fee and Expiration Date: The amount previously paid is $50,000, therefore no further fee is required at this time.

This commitment will expire November 1, 2027; however, the Executive Director is hereby authorized to extend the commitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

Mortgage Loan Commitment conditions:

1. Satisfactory compliance with the Agency’s Multifamily Underwriting Guidelines and Financing Policy dated March 20, 2025, as may be amended.

2. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated March 20, 2025, as may be amended.

3. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

4. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

5. The receipt of all necessary environmental and municipal approvals satisfactory to the Agency staff and the Attorney General’s Office including, but not limited to, zoning variances, site plan and a tax abatement agreement pursuant to N.J.S.A. 55:14K-37 or the Long-Term Tax Exemption Law, if applicable. In the event a tax abatement is obtained under the Long-Term Tax Exemption Law, the Agency reserves the right to request a tax abatement under N.J.S.A. 55:14K-37 as a further condition of commitment, and reserves the right to require the Sponsor to relinquish its status as an urban renewal entity.

6. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff <end sentence here if Agency is providing construction loan.

7. The Agency will not fund any additional construction costs that exceed the approved construction budget reflected in the board approved committed Form 10. Any additional construction costs exceeding the Form 10 contingency will be borne solely by the developer.

Exhibit A

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Multifamily Underwriting Guidelines and Financing Policy dated March 20, 2025, as may be amended

2. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated March 20, 2025, as may be amended

3. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.

4. The Sponsor agrees that the Project must comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

5. Mortgage loan closing shall not occur until construction is completed in accordance with the plans and specifications approved by Agency staff. Construction shall be deemed completed at the sole discretion of Agency staff. Prior to permanent mortgage loan closing, the Sponsor must submit an audit of the development costs of the completed project, which the Agency must review and approve in its sole discretion.

6. The Agency must receive from the Sponsor insurance covering the Project in full compliance with all applicable Agency Insurance Specifications and Minimum Requirements ("Agency Insurance Requirements"). The applicable Agency Insurance Requirements are found on the Agency's Website (www.njhousing.gov) under the Quicklinks Tab and accessing Insurance Resources. By submitting the Financing Application for the Project, the Sponsor acknowledges that they have reviewed the applicable Agency Insurance Requirements and will fully comply with same to the sole satisfaction of the Agency.

7. Submission, verification and compliance with the Agency's requirement for construction completion guarantees *(100% Payment and Performance Bond for Agency construction loans or Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans)*, including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.

8. The Sponsor must provide evidence that the syndication payment due and payable will be made directly from the Syndicator to the Agency.

9. The Sponsor agrees, in addition to all other required loan documents, to execute an Assignment of Syndication Proceeds to the Syndicator must also execute the Assignment, or other appropriate legal assurances which must be provided in a form and manner satisfactory to Agency staff and the Attorney General's Office that payment of the syndication proceeds will be made directly from the Syndicator to the Agency.

10. The Sponsor's formation agreement must each include a clause requiring direct payment to the Agency.

11. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.

Post - Closing conditions:

1. Receipt by Agency staff of an original insurance policy covering the Project and naming the Agency as: a) first mortgagee, b) lender's loss payable and c) additional insured, along with receipt demonstrating that the policy is paid in full. Note that an insurance certificate is not sufficient to meet this requirement. If a full insurance policy is temporarily unavailable, closing may occur on an insurance certificate if a letter is submitted from the insurance provider (not the broker) confirming that the insurance agent has the authority to bind the provider insuring the Project pursuant to the certificate of insurance.

Project Report

Legislative District:	29
Congressional District:	10
Census Tract:	231.00

Development Team:

Developer/Applicant:	MAR Acquisition Group, LLC 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007
Sponsor/Borrower Entity:	MAR NHA WSV Phase 1 LLC 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007

Exhibit A

Principals:	Ralph Salermo 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007
Consultant:	Mark Gioioso Mark V Gioioso LLC 1450Whipporwill Way Mountainside, NJ 07092 732-236-3195
Architect:	KNTM Architects, LLC 28 Washington Street East Orange, NJ 07017 973-676-7700
Attorney:	Convergent Law Jong Nee 101 Eisenhower Parkway, Suite 101 Roseland, NJ 07068 973-358-2500
General Contractor:	RAMAS Contractors LLC 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007
Managing Agent:	MAR Acquisition Group, LLC 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007
Social Services Provider:	Catholic Charities of the Archdiocese of Newark 590 North 7th Street Newark, NJ 07107 973-222-2722
Clearances and Disclosures:	All required disclosures from federal, State and/or municipality will be submitted prior to project funding.
Site Control:	The Borrower has entered into an option agreement to lease.
Zoning:	The property is properly zoned for the proposed use.
Utilities:	All utilities are available to the site.

Exhibit A

Land Valuation:	Has been determined in accordance with Agency standards set forth in the Agency's underwriting guidelines.
Taxes:	Tax abatement has been granted in accordance with N.J.S.A. 55:14K-37.
Environmental:	Has been completed in accordance with Agency underwriting standards set forth in the Agency underwriting guidelines.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$500,000	($5,814/DU)	($6/SF)
Construction Costs (Including Contractor Fee)	$18,994,720	($220,869/DU)	($209/SF)
Contingencies	$1,046,354	($12,167/DU)	($12/SF)
Developer Fee	$3,500,000	($40,698/DU)	($39/SF)
Professional Fees	$1,163,750	($13,532/DU)	($13/SF)
Carrying Financing Costs	$3,083,179	($35,851/DU)	($34/SF)
Other Charges	$1,881,609	($21,879/DU)	($21/SF)
TOTAL DEVELOPMENT COST	$30,169,611	($350,809/DU)	($332/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage Loan, Note I	$12,223,231	($142,131/DU)
NJHMFA SNHTF	$2,700,000	($31,395/DU)
LIHTC Equity ($0.885) PNC Bank, N.A.	$11,819,499	($137,436/DU)
Newark Housing Authority Loan	$1,772,937	($20,616/DU)
Deferred Developer Fee	$1,653,944	($19,232/DU)
TOTAL PROPOSED PERMANENT SOURCES	$30,169,611	($350,809/DU)

REPAYMENT OF HMFA NOTE II PLUS INTEREST (And/or any Construction Bridge Loan).

HMFA Note II	$2,733,050	($31,780/DU)
Note II Interest	$215,911	($2,511/DU)

Exhibit A

TOTAL HMFA Note II	$2,948,961	($34,290/DU)	

<u>LESS PROPOSED SOURCES</u>

LIHTC installment III	$2,948,961
TOTAL SOURCES PROPOSED	$2,948,961

<u>BREAKOUT OF DEVELOPMENT COSTS</u>:

Acquisition	$500,000
Percentage of Total Development Costs	2%

Construction Cost + Hard Cost Contingency + Utility Connection Fees	$20,497,139
Percentage of Total Development Costs	69%

**Remaining Soft Cost	$9,172,472
Percentage of Total Development Costs	30%
Percentage of Construction Costs	45%

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost	$9,172,472
Less	
Negative Arbitrage	$2,308
Deferred Developer Fee	$1,653,944
Escrows	$1,084,416
Other: (ie: tax credit fees, interest, points)	$2,011,313
TOTAL	$4,751,981
Net Soft Costs	$4,420,491
Percentage of Total Development Costs	15%
Percentage of Construction Costs	22%

BREAKOUT OF PER UNIT COST ($350,000 for one to four stories building or $380,000 five or six stories or $410,000 for over six stories building)

Total Development Cost	$30,169,611	($347,768/DU)	
Less			
Reserves	$1,084,416	($12,609/DU)	
Req Deferred Developer Fee	$1,653,944	($19,232/DU)	
NET TOTAL DEVELOPMENT COSTS	$27,431,251	($318,968/DU)	($302/SF)

Exhibit A

The mortgage loan was sized based on the Sponsor's affordability election and the following assumptions

Affordability Overview
Rental Housing Summary

# Units	Unit Type	Net Monthly Rent	Utility Allowance	Range of Affordability
7	1BR	$1,708	$60	Section 8 - 20% AMI
1	2BR	$2,060	$80	Section 8 - 20% AMI
35	1BR	$1,708	$60	Section 8 - 47.5%AMI
2	2BR	$2,060	$80	Section 8 - 47.5%AMI
38	1BR	$1,708	$60	Section 8 - 57.5%AMI
2	2BR	$2,060	$80	Section 8 - 57.5%AMI

1 2BR - Superintendent's Unit
86 Units

Attachments:
- Form-10
- Prior Board Approval Dated November 3, 2022
- Prior Board Approval Dated September 7, 2023
- Prior Board Approval Dated June 27, 2024

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY - with or without TAX CREDITS
SCHEDULE 10-A: PROJECT DESCRIPTION- PERMANENT ONLY LOAN

		Date Action Taken	
x	Inducement	11/3/22	
x	Commitment	9/7/23	
x	Re-Commitme	6/27/24	
x	Mtg. Extensio	5/1/25	
	Bond Sale	12/18/24	
	Final Closing		

If a Closing Other Than Final - Indicate Type By Date
Special Needs:
Other:
Other:

HMFA#: **7820**
Date: 3/27/25
Prepared by: **Chalyn Toon**
Reviewed by:

Highland Views Phase I
Project Name

Project Street Address	City	State	Zip Code
530-570 South 13th Street	Newark	NJ	07201

Municipality: Newark City (345)
County: Essex (13)

List Block followed by corresponding Lot and separated by a comma
Note # Only one Block and one lot per cell **Example:** **31,3.05**

310	1			

Type of Development
(Select either Family or Senior Citizens (NOT BOTH))
Family:
Senior Citizens: x
Provide the following:
Legislative District: District 29 (29)
Congressional District: District 10 (10)
Census Tract: 231.00

No. of dwelling units: 86
No. of occupied units:
No. of Special Needs units: 18
Special Needs Population: Homeless
Construction Term: 18 (mos.)
Rent-up Period: 6 (mos.)

Type of Loan
Construction Loan:
Construction & Permanent Loan:
Permanent Loan Only: x

Type of Construction
New Construction: x
Modular:
Moderate Rehabilitation:
Substantial Rehab.:
Conversion:
Rehabilitation/Occupied:
Historic:

Parking
Total Number of Parking Spaces: 45
Ratio of parking to D.U.'s: 0.52 : 1

Type of Financing
Tax Exempt: x
Taxable:

Tax Credits — **Check One**
4%: x
9%:
Historic:

Affordability - Check One
** 40% AT 60%: x
*** 20% AT 50%:
Income Averaging:

Term of Mortgage (in years): 32
Mortgage Interest Rate: 5.450%

The Project is in a: **Y or N**
QCT: y
Smart Growth: y
Planning Area:
(designate area)

ENTER DOLLAR AMOUNT
Type of Subsidy
Special Needs Program Funds: $ 2,700,000
FRM-CDBG: $
Amt. Of FRM-CDBG/Unit:
Money Follows the Person: $
Fire Supression: $
Other: $
Other: $

Cost Summary

Cost of Land and/or Improvements	$5,814	per DU	$6	per Sqft.
Construction Cost	$220,869	per DU	$209	per Sqft.
Total Project Cost	$350,809	per DU	$332	per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Average Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
Low Rise	1	4	1	700	80	56,000
			2	950	6	5,700
Basement/Crawl Space						
****Garage Parking						
Garage & Parking						
Commercial Space						
Common/Other Space	offices, tenant amenities, utilities, storage, circulation					29,100
Totals	1				86	90,800

Total Project Cost	$30,169,611
Minus Eligible Costs:	
Reserves	$1,084,416
Deferred Developer Fee	$1,653,944
Non Basis Off Site Improvements	
=	$27,431,251
Cost Per DU	$318,968

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.
****Includes only parking beneath the building and/or parking structure

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

		HMFA#	7820
x	Inducement	Prepared by:	Chalyn Toon
x	Commitment	Reviewed by:	
x	Re-Commitment		**Director of Technical Services**
x	Mtg. Extension			Date
	Bond Sale		**Managing Director of Multifamily**
	Closing			Date
			Chief of Multifamily

1. SOURCES OF FUNDS DURING CONSTRUCTION:

		Enter the total Loan Amount Here	Notes/Memo		
a)	Other Lender Construction Loan (4)	$18,250,000		$	18,250,000
b)	LIHTC Equity (170)	$11,565,989	1st Install @ Closing	$	2,373,031
c)	Additional Funding (194)	$1,772,937	N.H.A	$	1,772,937
d)	Special Needs Housing Trust Fund (8)	$2,700,000		$	2,700,000
e)				$	
f)				$	
g)				$	
h)	**Deferred Developer's Fee**			$	3,339,190
	TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			$	28,435,158

2. USES of FUNDS DURING CONSTRUCTION:

				% of Cons't Cost OR Cost/Unit	
A. ACQUISITION COSTS:					
a) Land	@ ($ per Acre)	$	500,000		
b) Building Acquisition	Should be between $15,000 & $25,000 per units				
c) Relocation					
d) Other: lease payment					500,000
B. CONSTRUCTION COSTS	**Total Acquisition as a percent of Total Project Costs:**	**1.66%**			
a) Demolition		$	475,000		
b) Off-site Improvements					
c) Residential Structures (including all on-site improvement)			15,663,991		
d) Community Building					
e) Environmental Clearances			100,000		
f) Surety & Bonding	should be between .75% and 2% of Construction Costs		340,929	1.79%	
g) Building Permits			95,000		
h) Garage Parking	garage should be approx $15,000/space; parking lot around $700/space				
i) General Requirements	should be about 6% of construction costs		994,000	5.96%	
j) Contractor Overhead & Profit	should not exceed 8% of construction costs - usually 2% for Overhead & 6% for Profit		1,325,800	7.95%	
k) Other					
l) Other	**Total Cons't Costs as a percent of Total Project Costs:**	**66.11%**			
					18,994,720
C. DEVELOPERS FEE - CONSTR/REI	**14.03%** HMFA Policy is that the Developer fee is earned as a percentage of construction completion.		3,500,000		
DEVELOPERS FEE - BUILDING					3,500,000
D. CONTINGENCY	**Non-Deferred Amt:** $1,846,056	**7.40%**			
	Non-Deferred Amt on Building Acq Not to Exceeed 2% :				
a) Hard Costs 5.000%	5% for New Construction & 10% for Rehabilitation		949,736		
b) Soft Costs 2.199%	should be a Maximum of 5%		96,618		1,046,354
E. PROFESSIONAL SERVICES					
a) Appraisal & Market Study		$	27,000		
b) Architect			350,000		
c) Site Engineer			150,000		
d) Attorney			400,000		
e) Cost Certification/Audit	should not exceed $35,000		35,000		
f) Environmental Consultant			30,000		
g) Historical Consultant					
h) Geotechnical Consultant			15,000		
i) Green Consultant			50,000		
j) Professional Planner					
k) Surveyor			6,750		
l) Other	**Total Professional fees as a % of Total Project Costs:**	**3.86%**	100,000		1,163,750
F. PRE-OPERATIONAL EXPENSES *	*** Non-eligible costs in TC basis**				
a) Operator fees (pre-construction completion) *	Should not exceed $250 per unit	$	20,000		
b) Advertising and Promotion (pre-construction completion)*			12,156		
c) Staffing and Start-up Supplies (pre-construction completion)*			20,000		
d) Other: * lease-up fee payable to NHA	for their services re:Section 8 PBV units		75,000		
e) Other: * Specials Needs start-up costs	**Total Pre Opt Costs as a % of Total Project Costs:**	**0.49%**	20,000		147,156
G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION	(percentage of total development costs)			10.22%	
a) Interest @ 7.5000 % for (21 mos.)	on $ 10,950,000		1,437,188		
b) R.E. Tax $ 17,143 (per annum) x	1.75 Yrs.		30,000		
c) Insurance $ 228,571 (per annum) x	1.75 Yrs.		400,000		
d) Title Insurance and Recording Expenses			125,000		
e) Utility Connection Fees			552,683		
f) Other Lender's Points			182,500		
g) Other Lender Construction Financing Fee			85,000		
h) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the		140,000		
i) Negative Arbitrage **(if Bonds are sold during Construction)**	time the Development is under construciton, these costs		2,308	(ESTIMATE)	
j) Cost of Issuance **(If Bonds are sold during Construction)**	should be accounted for during the construction period.		81,000	(ESTIMATE)	
k) Furniture, Fixtures & Equipment (FF&E)			47,500		
	Total Carrying/Fin. Costs as % of Total Project Costs:	**10.22%**			3,083,179

3. USES OF FUNDS DURING CONSTRUCTION:	$	**28,435,158**
4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage):	$	(0)

PERMANENT LOAN CLOSING

5. SOURCES OF FUNDS FOR PERMANENT FUNDING:	Notes/Memo		
a) HMFA 1st Mortgage, NOTE I		$	12,223,231
b) Additional Funding (194)	HMFA 1st Mortgage, NOTE II	$	2,733,050
c) LIHTC Equity (170)	Construction Completion	$	195,686
d) LIHTC Equity (170)	Third Installment April 5, 2027	$	4,432,573
e) LIHTC Equity (170)	Fourth Installment 100% occupancy	$	66,711
f) LIHTC Equity (170)	Final Installment 8609 April 5, 2029	$	1,802,537
g)		$	
h)		$	
TOTAL SOURCES FOR PERMANENT CLOSING:		$	21,453,788

6. USES of FUNDS FOR PERMANENT CLOSING:

A. DEVELOPER'S FEE:					$	1,685,246
B. HMFA Points (to reduce annual servicing fee)"	2.00%	on	$ 12,223,231	244,465		244,465
C. HMFA Second Note Financing Fee "	2.00%	on	$ 2,733,050	54,661		54,661
D. Special Needs Financing Fee "	3.00%	on	$			
E. CONSTRUCTION LOAN PAYOFF:					$	18,250,000
F. Construction Loan Interest Due(per diem)		on	$		$	
G. Negative Arbitrage **(ESTIMATE)**			(List Daily Amount)			
H. Cost of Issuance **(ESTIMATE)**						
I. Reimbursement of any Indemification Fee not dedicated to other costs						
J. TAX CREDIT FEES						135,000
K. R.E. Taxes due & Payable at Closing						
L. Title Insurance	# of days		(List Daily Amount)			
M. HMFA Loan per diem interest on NOTE I (if applicable)		on	$			
N. Outstanding Payments to Professional & Sub-contractors						
O. Payment and Performance Bond, 30% Warranty Bond, or 10% Letter of Credit						
P. Other Fees:						
Q. ESCROW REQUIREMENTS:	**Total Costs@ PermClosing as%of Total Project Costs:**		**7.02%**			
1) Working Capital Escrow						
a) Debt Service & Operating Expenses						567,612
b) Rental Agent Rent-up Fee (during Rent-up)						
c) Advertising and Promotion (during Rent-up)						
2) Other Escrows						
a) Insurance (1/2 YR.)					$	30,100
b) Taxes (1 Qtr.)					$	20,133
c) Debt Service Payment & Servicing Fee for 1 Month					$	71,406
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months					$	
e) Repair & Replacement Reserves					$	
f) HMFA Operating Deficit Reserve					$	
g) Other: Syndicator Reserve pd 4th Install					$	395,166
h) Other:	**Total Escrows as a % of Total Project Costs:**			**3.59%**		
7. USES OF FUNDS FOR PERMANENT CLOSING					$	**21,453,788**
8. BALANCE NEEDED TO CLOSE (overage / shortage):					$	**0**
9. TOTAL PROJECT COSTS					$	**30,169,611**
10. MAXIMUM MORTGAGE LOAN	40.52 % of Item 10				$	12,223,231

11. 55% of Basis Test:

Aggregate Basis:	$	**28,285,694**
55% of Basis (estimated):		**15,557,132**
Less 1st Mtg., 1st Note:		12,223,231
Equals 1st. Mtg., 2nd Note Needed:		**3,333,901**

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE)

						List Source
				$	2,948,961	LIHTC Equity (170)
	Principal	$	2,733,050	$		
Interest @ 3.95% (24) mos.		$	215,911	$		
	Total	$	2,948,961	Total $	2,948,961	
				$	0	

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________________ By: ______________________________

(Developer or Authorized Signatory) NJHMFA Executive Director or Designee

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity:	MAR NHA WSV Phase I LLC	HMFA#	7820
Dev. Name:	Highland Views Phase I	Prepared by:	Chalyn Toon
		Reviewed by:	
			(Director of Asset Management)

Date: 03/27/25

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	2,500
Telephone	10,000
Dues & Sub.	1,000
Postage	1,000
Insp. & Other Fees	5,000
Advertising	1,000
Legal Services	5,000
Auditing (Year End)	13,840
Soc. Serv. Suppl.	10,000
Misc. Adm. Expenses	2,500
Bookkeeping/Accounting	
and/or Computer Charges	7,410
Other:	
TOTAL $	59,250

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent		35,000
Janitorial		15,000
Grounds & Landscaping		
Security		
Social Services		25,000
Site Office & Admin		35,000
Maintenance		18,000
Other Salaries:		
Empl. Benefits		18,450
Empl. Payroll Taxes		12,300
Worker's Comp.		2,460
Other:		
TOTAL $		161,210

III. MAINTENANCE AND REPAIRS

Masonary	2,000
Carpentry	
Plumbing	3,000
Electrical	3,000
Kitchen Equipment	2,000
Elevator	3,000
Windows & Glass	2,500
Vehicles & Equip.	
Snow Removal	5,000
Grounds & Landscaping	4,000
Paint & Dec. Supl.	2,500
Small Equip. & Tools	
Janit. Sup. & Tools	2,500
HVAC Supplies	3,000
Misc. Maint. Suppl.	1,500
Other:	
TOTAL $	34,000

IV. MAINTENANCE CONTRACTS

Security	50,000
Elevator	6,000
Rubbish Removal	10,000
Heating & AC Maint.	3,000
Grounds, Parking & Landscaping	11,000
Exterminating	5,000
Cyclical Apt. Painting	10,033
Other:	1,500
TOTAL $	96,533

V. UTILITY EXPENSE

Water Charges	18,000
Sewer Charges	18,000
Electricity	16,500
Gas	12,000
Fuel	
Less Solar Energy Savings	
TOTAL $	64,500

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	$	1,763,280
Less Vacancy	(-)	88,164
Less Utilities (if applicable)	(-)	64,500
Gross Sheltered Rents	$	1,610,616
x Rate	x	5.00 %
Real Estate Taxes	$	80,531

OR ACTUAL TAXES IF NO P.I.L.O.T.:

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	12,223,231	HMFA #	7820
Mortgage Interest Rate	5.45 %	Prepared by:	Chalyn Toon — 03/27/25
Term (years)	32 Yrs.	Reviewed by:	
Amortization (Y,S,M)	m		Date
FMR Area	Essex (13)		

The Interest rate has been reduced by: ____ **basis points as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.**

Date of Income Limits Chart Used: 04/01/24
Date of Utility Chart Used: 09/01/24

ANTICIPATED GROSS RENTS:

No. of Bedrooms	No. of Units	% AMI	Gross Rent	Subsidy Type, if applicable	Subsidy Amount	Allowance for Tenant Paid Utilities***	Net Rent	Monthly	Annual
1	15	20% AMI	1,768	Section 8 Moderate R		60	1,708	25,620	307,440
2	3	20% AMI	2,140	Section 8 Moderate Rehabilitation (4)		80	2,060	6,180	74,160
1	35	47.5% AMI	1,768	Section 8 Moderate Rehabilitation (4)		60	1,708	59,780	717,360
2	1	47.5% AMI	2,140	Section 8 Moderate Rehabilitation (4)		80	2,060	2,060	24,720
1	30	57.5% AMI	1,768	Section 8 Moderate Rehabilitation (4)		60	1,708	51,240	614,880
2	1	57.5% AMI	2,140	Section 8 Moderate Rehabilitation (4)		80	2,060	2,060	24,720
2	1								
TOTALS	**86**							**146,940**	

Anticipated Annual Gross Rents **1,763,280**

* Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put $0 in the Rent column.
** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income.
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom
*** Where tenants pay their own utilities, a "utility allowance" must be subtracted
from the maximum chargeable rent when determining their rental charge.

NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.

EQUIPMENT AND SERVICES

(a) Equipment:		(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	X	Heat	G	I	X
Refrigerator	X	Hot Water	G	I	X
Air Conditioning	X	Cooking	G	I	X
Laundry Facilities	X	Air Conditioning	E	I	X
Disposal		Household Electric		I	X
Dishwasher	X	Water		MM	
Carpet		Sewer		MM	
Drapes		Parking			
Swimming Pool		Other:			
Tennis Court		Other:			
Other:					

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart		**Utility Company Estimates**	
HUD Utility Schedule Model		**Energy Consumption Model**	X

COMMERCIAL SPACE
(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: MAR NHA WSV Phase I LLC
Dev. Name: Highland Views Phase I

HMFA# 7820
Prepared by: Chalyn Toon — 03/27/25
Reviewed by:
(Director of Asset Management - Expenses Only) — Date

RENTAL INCOME

Apartment Rents			$ 1,763,280
Vacancy Loss	(5.00 %)	-	88,164
NET APT. RENTS			1,675,116
Commercial Income		per Sq. Ft.	$
Garage & Parking		per Sq. Ft.	
Commercial Vacancy		%	
NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME			$ 1,675,116

OTHER INCOME

Laundry Machines		$ 5,000	
Other:			
TOTAL OTHER INCOME		$ 5,000	
TOTAL REVENUE			$ **1,680,116**

EXPENSES

Administrative (Schedule I)		$ 59,250		
Salaries (Schedule II)		161,210		
Maint. & Repa (Schedule III)		34,000		
Maint. Contra (Schedule IV)		96,533		
Utilities (Schedule V)		64,500		
Management I	64.92 per unit	67,000	* Should be between $55 & $70 per unit per month	
P.I.L.O.T. on Commercial Income(	%)			
Real Estate Ta (Schedule VI)		80,531		
Insurance	$700 per Unit	60,200	**2-Story & below - $500; 3-Story & above - $550**	
Reserve for Repair and Replacement	390.00 per unit	33,540		
TOTAL EXPENSES				$ **656,764**

NET OPERATING INCOME			$ **1,023,352**
DEBT SERVICE			
1. Principal and Interest		$ 807,975	
2. Mortg & Bond Serv Fee	0.40 %	48,893	
3. MIP	%		
4. Debt Service on Other Mortgage Loa	$	$	
AGENCY DEBT SERVICE		$ 856,868	
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$	
TOTAL DEBT SERVICE			$ 856,868
NET INCOME			$ **166,484**
Less Return on Equity	(% on $	)	- $
Project Profit/(Loss)			$ **166,484**

DEBT SERVICE RATIO CALCULATION :

$$DSR = \frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}} = \mathbf{1.19429}$$

New Mortgage Amount

12,223,231

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT:	Highland Views Phase I
HMFA #:	7820
LOAN OFFICER:	Chalyn Toon
DATE:	3/27/25

Annual % of Rent Increase:	3.00%	
Annual Expense Increase:	4%	
Vacancy:	5.00	$88,164
Commercial Rent Increase:		
Commercial Vacancy:	0.00 %	

Permanent Mortgage (1st Note)		12,223,231
Interest Rate:		5.45
Term:		32
Annual Payment:		807,975
Servicing Fee:	0.400	48,893
MIP:	0.000	0

2nd Note/Mortgage(Amortizing)		
Interest Rate:		0.000000
Term in Years:		0
Annual Payment:		$0.00
Servicing Fee:		$0
		$0

FRM-CDBG	0
Interest Rate Annually:	
First Years Balance:	0

DEVELOPMENT:	Highland Views Phase I
HMFA #:	7820
LOAN OFFICER:	Chalyn Toon
DATE:	3/27/25

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
1	15	0	1,768	Section 8 Mode	60	1,708	25,620	307,440
2	3	0	2,140	Section 8 Mode	80	2,060	6,180	74,160
0	0	0	0	0	0	0	0	0
1	35	0	1,768	Section 8 Mode	60	1,708	59,780	717,360
2	1	0	2,140	Section 8 Mode	80	2,060	2,060	24,720
0	0	0	0	0	0	0	0	0
1	30	0	1,768	Section 8 Mode	60	1,708	51,240	614,880
2	1	0	2,140	Section 8 Mode	80	2,060	2,060	24,720
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0		0	0	0	0	0	0
2	1		0	0	0	0	0	0
Total	**86**							**1,763,280**

PILOT Calculation	Year 1	
Rental Income		
Gross Rental Income	1,763,280	
Less: Vacancy	-88,164	
Net Rental Income	1,675,116	
Less: Owner-pd Utilities	-64,500	
Basis for PILOT Calc.	1,610,616	
PILOT Rate	5.00	
PILOT Payment Estimate	$80,531	
Commercial:		Square Ft.
Gross Commercial Income	0	29,100
Less: Vacancy	(0.00)	
Net Commercial Income	0	
PILOT Rate	0.00%	
PILOT Payment Estimate	0	

Commercial
$/sq. ft.
$0

%

PROJECTIONS		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
RENTAL INCOME												
Apartment Rents		1,763,280	1,816,178	1,870,664	1,926,784	1,984,587	2,044,125	2,105,449	2,168,612	2,233,670	2,300,680	2,369,701
Less Vacancy Loss	5 %	-88,164	-90,809	-93,533	-96,339	-99,229	-102,206	-105,272	-108,431	-111,684	-115,034	-118,485
NET APT. RENTS		1,675,116	1,725,369	1,777,131	1,830,444	1,885,358	1,941,919	2,000,176	2,060,181	2,121,987	2,185,646	2,251,216
Commercial Income	$0	0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0.00	0	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS		0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:		**1,675,116**	**1,725,369**	**1,777,131**	**1,830,444**	**1,885,358**	**1,941,919**	**2,000,176**	**2,060,181**	**2,121,987**	**2,185,646**	**2,251,216**
OTHER INCOME												
Laundry Machines	$5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other:	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL REVENUE		1,680,116	1,730,369	1,782,131	1,835,444	1,890,358	1,946,919	2,005,176	2,065,181	2,126,987	2,190,646	2,256,216
OPERATING EXPENSES	Yearly Per Unit Cost											
Administrative	$689	59,250	61,620	64,085	66,648	69,314	72,087	74,970	77,969	81,088	84,331	87,704
Salaries and Benefits	$1,875	161,210	167,658	174,365	181,339	188,593	196,137	203,982	212,141	220,627	229,452	238,630
Maintenance & Repairs	$395	34,000	35,360	36,774	38,245	39,775	41,366	43,021	44,742	46,531	48,393	50,328
Maintenance Contracts	$1,122	96,533	100,395	104,410	108,587	112,930	117,448	122,145	127,031	132,113	137,397	142,893
Utilities	$750	64,500	67,080	69,763	72,554	75,456	78,474	81,613	84,878	88,273	91,804	95,476
Management Fee 64.92	$67,000	67,000	69,010	71,080	73,213	75,409	77,671	80,002	82,402	84,874	87,420	90,042
PILOT on Housing 5.00	$936	80,531	83,164	85,618	88,145	90,745	93,422	96,178	99,015	101,936	104,942	108,037
Insurance	$700	60,200	62,608	65,112	67,717	70,425	0	0	0	0	0	0
Replacement Reserves	$390	$33,540	33,540	33,540	33,540	33,540	33,540	33,540	33,540	33,540	33,540	33,540
PILOT on Comm.	$0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		656,764	680,436	704,749	729,988	756,188	710,145	735,451	761,718	788,981	817,279	846,651
Total Per Unit Cost		7,637	7,912	8,195	8,488	8,793	8,257	8,552	8,857	9,174	9,503	9,845
Expense/Income Ratio		0.39	0.39	0.40	0.40	0.40	0.36	0.37	0.37	0.37	0.37	0.38
INCOME AVAIL. FOR DEBT		1,023,352	1,049,934	1,077,382	1,105,457	1,134,170	1,236,774	1,269,725	1,303,464	1,338,006	1,373,368	1,409,565
Debt Service-1st Mortgage		856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868
Debt Service-2nd Note		0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868
Debt Service Ratio		1.19	1.23	1.26	1.29	1.32	1.44	1.48	1.52	1.56	1.60	1.65
DSR from Operations and Reserve		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service		166,484	193,066	220,514	248,589	277,302	379,906	412,857	446,596	481,138	516,500	552,697
SNHTF	25 %											138,174
	%											0
Remaining Cash Flow		166,484	193,066	220,514	248,589	277,302	379,906	412,857	446,596	481,138	516,500	414,523
											3,342,953	
OPERATING RESERVE:												
Beginning Reserve Balance			0	0	0	0	0	0	0	0	0	0
Interest Income		0	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow		0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance		0	0	0	0	0	0	0	0	0	0	0

PROJECTIONS	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
RENTAL INCOME										
Apartment Rents	2,440,792	2,514,016	2,589,436	2,667,119	2,747,133	2,829,547	2,914,433	3,001,866	3,091,922	3,184,680
Less Vacancy Loss	-122,040	-125,701	-129,472	-133,356	-137,357	-141,477	-145,722	-150,093	-154,596	-159,234
NET APT. RENTS	2,318,752	2,388,315	2,459,964	2,533,763	2,609,776	2,688,069	2,768,712	2,851,773	2,937,326	3,025,446
Commercial Income	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**2,318,752**	**2,388,315**	**2,459,964**	**2,533,763**	**2,609,776**	**2,688,069**	**2,768,712**	**2,851,773**	**2,937,326**	**3,025,446**
OTHER INCOME										
Laundry Machines	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other:	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
TOTAL REVENUE	2,323,752	2,393,315	2,464,964	2,538,763	2,614,776	2,693,069	2,773,712	2,856,773	2,942,326	3,030,446
OPERATING EXPENSES										
Administrative	91,213	94,861	98,656	102,602	106,706	110,974	115,413	120,030	124,831	129,824
Salaries and Benefits	248,175	258,102	268,427	279,164	290,330	301,943	314,021	326,582	339,645	353,231
Maintenance & Repairs	52,341	54,435	56,612	58,877	61,232	63,681	66,229	68,878	71,633	74,498
Maintenance Contracts	148,609	154,553	160,735	167,164	173,851	180,805	188,037	195,559	203,381	211,516
Utilities	99,295	103,267	107,397	111,693	116,161	120,807	125,640	130,665	135,892	141,327
Management Fee	92,744	95,526	98,392	101,344	104,384	107,515	110,741	114,063	117,485	121,009
PILOT on Housing	111,223	114,502	117,878	121,354	124,931	128,613	132,404	136,305	140,322	144,456
Insurance	0	0	0	0	0	0	0	0	0	0
Replacement Reserves	33,540	33,540	33,540	33,540	33,540	33,540	33,540	33,540	33,540	33,540
PILOT on Comm.	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	877,139	908,787	941,637	975,737	1,011,135	1,047,880	1,086,024	1,125,622	1,166,728	1,209,402
Total Per Unit Cost	10,199	10,567	10,949	11,346	11,757	12,185	12,628	13,089	13,567	14,063
Expense/Income Ratio	0.38	0.38	0.38	0.38	0.39	0.39	0.39	0.39	0.40	0.40
INCOME AVAIL. FOR DEBT	1,446,613	1,484,528	1,523,327	1,563,026	1,603,642	1,645,190	1,687,687	1,731,151	1,775,598	1,821,043
Debt Service-1st Mortgage	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868
Debt Service-2nd Note	0	0	0	0	0	0	0	0	0	0
Total Debt Service	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868
Debt Service Ratio	1.69	1.73	1.78	1.82	1.87	1.92	1.97	2.02	2.07	2.13
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	589,745	627,661	666,460	706,158	746,774	788,322	830,820	874,283	918,730	964,176
SNHTF	147,436	156,915	166,615	176,540	186,693	197,081	207,705	218,571	229,682	241,044
	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow	442,309	470,745	499,845	529,619	560,080	591,242	623,115	655,713	689,047	723,132
				785,680						
OPERATING RESERVE:										
Beginning Reserve Balance	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0	0	0	0

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
3,280,220	3,378,627	3,479,986	3,584,385	3,691,917	3,802,674	3,916,754	4,034,257	4,155,285
-164,011	-168,931	-173,999	-179,219	-184,596	-190,134	-195,838	-201,713	-207,764
3,116,209	3,209,695	3,305,986	3,405,166	3,507,321	3,612,541	3,720,917	3,832,544	3,947,521
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
3,116,209	**3,209,695**	**3,305,986**	**3,405,166**	**3,507,321**	**3,612,541**	**3,720,917**	**3,832,544**	**3,947,521**
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
0	0	0	0	0	0	0	0	0
5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
3,121,209	3,214,695	3,310,986	3,410,166	3,512,321	3,617,541	3,725,917	3,837,544	3,952,521
135,017	140,418	146,034	151,876	157,951	164,269	170,840	177,673	184,780
367,360	382,055	397,337	413,230	429,759	446,950	464,828	483,421	502,758
77,478	80,577	83,800	87,152	90,638	94,264	98,035	101,956	106,034
219,977	228,776	237,927	247,444	257,342	267,636	278,341	289,475	301,054
146,981	152,860	158,974	165,333	171,946	178,824	185,977	193,416	201,153
124,640	128,379	132,230	136,197	140,283	144,492	148,826	153,291	157,890
148,711	153,092	157,601	162,242	167,019	171,936	176,997	182,206	187,568
0	0	0	0	0	0	0	0	0
33,540	33,540	33,540	33,540	33,540	33,540	33,540	33,540	33,540
0	0	0	0	0	0	0	0	0
1,253,704	1,299,696	1,347,444	1,397,015	1,448,479	1,501,910	1,557,384	1,614,979	1,674,777
14,578	15,113	15,668	16,244	16,843	17,464	18,109	18,779	19,474
0.40	0.40	0.41	0.41	0.41	0.42	0.42	0.42	0.42
1,867,505	1,914,999	1,963,543	2,013,151	2,063,842	2,115,630	2,168,533	2,222,565	2,277,743
856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868
0	0	0	0	0	0	0	0	0
856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868	856,868
2.18	2.23	2.29	2.35	2.41	2.47	2.53	2.59	2.66
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,010,637	1,058,132	1,106,675	1,156,284	1,206,974	1,258,763	1,311,665	1,365,698	1,420,876
252,659	264,533	276,669	289,071	301,744	314,691	327,916	341,424	355,219
0	0	0	0	0	0	0	0	0
757,978	793,599	830,006	867,213	905,231	944,072	983,749	1,024,273	1,065,657
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Highland Views Phase 1 **November 3, 2022**
Newark, Essex County
HMFA #07820
Developers: MAR NHA WSV Phase 1 LLC
# of Units: 86, including 15 set aside for Homeless Individuals
Population: Seniors, 55+

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a “Declaration of Intent” stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $13,094,000 in permanent financing for a project known as Highland Views Phase 1, HMFA #07820 (the “Project”). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the “Original Expenditures”) associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the “Reimbursement Regulations”) promulgated under the Internal Revenue Code of 1986, as amended (the “Code”).

1. The Project will be a qualified residential rental project within the meaning of Code Sections 142(a)(7) and 142(d) and related Treasury Regulations. A brief, general description of the Project is set forth below.

2. The Original Expenditures to be reimbursed with the proceeds of the Bonds will be “capital expenditures” as defined in Treas. Reg. Section 1.150-1(b), costs of issuance for the Bonds, and/or expenditures described in Treas. Reg. Section 1.148-6(d)(3)(ii)(B) (relating to certain extraordinary working capital items).

3. Pursuant to the Reimbursement Regulations, with respect to each Original Expenditure to be reimbursed with proceeds of the Bonds, either (i) the date of the declaration of official intent is not later than 60 days after the payment of the Original Expenditure, or (ii) if the date of the declaration of official intent is more than 60 days after the payment of the Original Expenditure, the Original Expenditure must be a preliminary, pre-construction expenditure as described in Treas. Reg. Section 1.150-2(f)(2) and the total amount of such preliminary expenditures to be reimbursed with proceeds of the Bonds cannot exceed 20% of the proceeds of the Bonds.

4. This Request for Action expresses the Board's declaration of intent only. It does not authorize the Agency to issue the Bonds, which issuance may only be authorized by subsequent action adopted in accordance with law. The ability of the Project to conform to the Agency's Multifamily Underwriting Guidelines and Financing Policy (the "Guidelines"), as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this Project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this Project any preference over any other project.

5. The following is a brief, general description of the Project based on current expectations regarding the Project:

The Project

The Project involves the redevelopment of a 2.35-acre parcel owned by the Newark Housing Authority, located at 530-570 South Street, Newark, Essex County. The property, which will be a portion of Block 310, Lot 1 on the tax maps of Newark, is currently composed of nine two-story apartment buildings that have fallen into disrepair and are unoccupied. The existing structures are planned for demolition to make way for new senior housing to be developed in two phases. The property will be subdivided into a 1.14-arce lot and a 1.21-acre lot, with Highland Views, Phase 1 occupying the former. The Project will comprise of a new low-rise four-story building, containing eighty-six (86) age-restricted dwelling units for residents 55 years or older. The development will offer eighty (80) 700 square feet one-bedroom units and six (6) 950 square feet two-bedroom units, which includes a non-revenue producing superintendent's unit. The one-bedroom units Section 8 net rent is $1,346 and the two-bedroom units Section 8 net rent is $1,621. The Housing Authority of the City of Newark has committed to providing 86 Section 8 Housing Choice Vouchers to the Project. The term of the rental assistance vouchers will be 40 years.

The Project will provide laundry rooms, management staff and 24-hour maintenance staff response, an on-site community room for the residents for uses such as educational programs, social gatherings, and resident activities, and a recreation and fitness center. A surface parking lot with 45 spaces will be available to the residents.

For Special Needs purposes, fifteen (15) one-bedroom units will be set aside for homeless individuals. Social Services for these residents will be provided by the Catholic Charites of the Archdiocese of Newark.

The Project will be managed by MAR Acquisition Group, LLC.

The Project is seeking 4% Low-Income Housing Tax Credits. For the LIHTC purposes, the Sponsor has elected the 40% at 60% AMI.

Exhibit A

Agency Financing

The Agency will provide a permanent only loan financing in the estimated amount of $10,911,481. This loan will be evidenced by two mortgage notes. Both notes will be secured by a first mortgage lien on the property. Note I is anticipated to be in the amount of $8,027,908, at an estimated annual interest rate of 6.3%, for an estimated term of 32 years. In order to meet the 55% aggregate basis test, as required by the Agency's underwriting guidelines, Note II must be funded through bond proceeds in an amount anticipated to be $2,883,573, at an estimated interest rate of 4.95%, with a maturity date of 24 months from the date of loan closing. Note II will be additionally secured by an assignment of syndication proceeds.

The Agency will provide a construction and permanent subsidy loan from the Special Needs Housing Trust Fund ("SNHTF") in an estimated amount of $2,250,000, at an estimated annual interest rate of 0% during construction and 1% at permanent conversion, with an estimated term of 30 years. This loan will be repaid with twenty-five percent (25%) of the Project's available cash flow remaining after the payment of operating expenses, required reserves and amortized mortgage debt service and at the earlier of 10 years or the payment of the deferred developer's fee. This mortgage will be secured by a subordinate lien on the property.

DOI Conditions:

1. The Borrower has not justified to the Agency's satisfaction the reasonableness of the total development costs. Therefore, the Agency reserves the right to require that the Borrower provide a quantitative analysis and justification of the costs or the Agency will commission an independent analysis to confirm the cost, with the Sponsor paying for that analysis.

2. The borrower must conclusively demonstrate that this project is permitted to receive an allocation of LIHTC in accordance with Section 19 of P.L. 2008, c. 46, N.J.S.A. 52:27D-321.1 (A500 ACS) and is subject to an Inclusionary review, feasibility analysis and determination of LIHTC eligibility prior to the project proceeding to a mortgage commitment.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$500,000	($5,814/DU)	($6/SF)
Construction Costs (Including Contractor Fee)	$14,723,600	($171,205/DU)	($162/SF)
Contingencies	$809,519	($9,413/DU)	($9/SF)
Developer Fee	$2,200,000	($25,581/DU)	($24/SF)

Professional Fees	$1,063,750	($12,369/DU)	($12/SF)
Carrying Financing Costs	$1,520,246	($17,677/DU)	($17/SF)
Other Charges	$1,420,864	($16,522/DU)	($16/SF)
TOTAL DEVELOPMENT COST	$22,237,979	($258,581/DU)	($245/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage, Note I	$8,027,908	($93,348/DU)
Special Needs Housing Trust Fund	$2,250,000	($26,163/DU)
LIHTC Equity *PNC BANK*	$9,535,869	($110,882/DU)
Deferred Developer Fee	$1,221,485	($14,203/DU)
TOTAL PROPOSED PERMANENT SOURCES	$22,237,979	($258,581/DU)

REPAYMENT OF HMFA NOTE II PLUS INTEREST (And/or any Construction Bridge Loan).

HMFA Note II	$2,883,573	($33,530/DU)
Note II Interest	$71,368	($830/DU)
TOTAL HMFA Note II	$2,954,942	($34,360/DU)

LESS PROPOSED SOURCES

LIHTC EQUITY INSTALL III	$2,954,942
TOTAL SOURCES PROPOSED	$2,954,942

Highland Views Phase I **September 7, 2023**
Newark, Essex County
HMFA #07820
Developer: MAR Acquisition Group, LLC
# of Units: 86 units including 18 units set aside for Homeless Individuals
Population: Senior 55+

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

1. Approval of a mortgage loan commitment for an estimated $14,453,000 in permanent only financing from the Agency Revenue Bond Financing Program for a project known as Highland Views Phase I HMFA #07820 (the “Project”), upon the terms and conditions set forth below.

2. Approval of a subsidy mortgage loan commitment for an estimated $2,700,000 in construction and permanent financing from the Special Needs Housing Trust Fund (“SNHTF” Program), upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

The Sponsor is applying for 4% Low Income Housing Tax Credits (“LIHTC”).

Construction is anticipated to commence in November 2023 with an anticipated completion date in November 2025.

Prior Board Approval

On November 3, 2022 the Agency Board approved a Declaration of Intent for construction and permanent financing.

The Applicant/Developer

MAR Acquisition Group, LLC, (the “Developer”) located in Elizabeth, New Jersey is the applicant and developer for the project’s financing. The applicant will also act as the developer, general contractor and managing agent for the Project.

MAR Developer Group, LLC has secured permanent financing from the Agency for the following projects: Linden Senior Housing, HMFA #02555; Roselle Senior Housing, HMFA #02193; and 84-86 First Street Housing, HMFA#02555; Union Avenue, HMFA#01435; and East Grand Street, HMFA #01444; They currently applying for permanent financing for Highland Views Phase II, HMFA #07817.

The Sponsor/Borrower

The applicant for the Project's financing has formed a limited liability company known as MAR NHA WSV Phase 1 LLC, such entity also to be known as the "Sponsor" and/or "Borrower". MAR Westside Phase 1 LLC will be the managing member of MAR NHDA WSV Phase 1 LLC at 0.0050% ownership interest. Newark Housing Authority will be member of MAR NHA WSV Phase 1 LLC at 0.0050% ownership interest. The equity investor member will be PNC Bank, N.A. and its successors and/or assigns (the "Tax Credit Investor" or "LIHTC Syndicator") with a 99.99% ownership interest.

General Contractor

RAMAS Contractors LLC will serve as the general contractor for the Project. RAMAS Contractors LLC is a new joint venture that is owned and operated by the principals of MAR Acquisition Group, LLC and CIS Construction, LLC. Both companies have acted as the general contractor on numerous Agency financed projects including Roselle Senior Housing HMFA #02193, Linden Senior Housing HMFA #02254, and Heritage Village at Galloway HMFA #02977.

Acquisition

On June 23, 2022, the Housing Authority of the City of Newark and MAR NHA WSV Phase 1 LLC (the "Company") a single purpose entity of MAR Acquisition Group, LLC entered an option to lease agreement for a sum of $1.00. The term of the ground lease will be at least seventy-five (75) years. The Partnership shall pay to the Housing Authority of the City of Newark as initial rent the sum of $500,000 to be paid on the date of the execution of the lease.

Per the appraisal report dated October 4, 2022 the "as is" value) of the property is $12,700,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed Project, $500,000 is recognized for acquisition costs.

The Project

The Project involves the redevelopment of a 2.35-acre parcel owned by the Newark Housing Authority, located at 530-570 South Street, Newark, Essex County. The property, which will be a portion of Block 310, Lot 1 on the tax maps of Newark, is currently composed of nine two-story apartment buildings that have fallen into disrepair and are unoccupied. The existing structures are planned for demolition to make way for new senior housing to be developed in two phases. The property will be subdivided into a 1.14-arce lot and a 1.21-acre lot, with Highland Views, Phase 1 occupying the former. The Project will comprise of a new low-rise four-story building, containing eighty-six (86) age-restricted dwelling units for residents 55 years or older. The development will offer eighty (80) 700 square feet one-bedroom units and six (6) 950 square feet two-bedroom units, which includes a non-revenue producing superintendent's unit. The one-bedroom units Section 8 net rent is $1,546 and the two-bedroom units Section 8 net rent is $1,847. The Housing Authority of the City of Newark has committed to providing 86 Section 8 Housing Choice Vouchers to the Project. The term of the rental assistance vouchers will be 40 years.

The Project will provide laundry rooms, management staff and 24-hour maintenance staff response, an on-site community room for the residents for uses such as educational programs, social gatherings, and resident activities, and a recreation and fitness center. A surface parking lot with 45 spaces will be available to the residents.

For Special Needs purposes, eighteen (18) one-bedroom units will be set aside for homeless individuals. Social Services for these residents will be provided by the Catholic Charites of the Archdiocese of Newark.

The Project will be managed by MAR Acquisition Group, LLC.

The Project is seeking 4% Low-Income Housing Tax Credits. For the LIHTC purposes, the Sponsor has elected the 40% at 60% AMI.

Market Analysis

The Project will likely draw its potential residents from the City of Newark and the surrounding market area of Essex County. The Project provides convenient commuter access via Garden State Parkway and Springfield Avenue. The capture rate, defined as the estimated percentage of the total potential market for a type of property that is currently absorbed by existing facilities or is forecast to be absorbed by proposed facilities, is 3.14%. The projected absorption or forecast is that all 86 unit will be fully leased by completion of the construction period estimated at 18 months. The capitalization rate, the ratio between the net operating income and the current value of the property, is 5.25%, as per the appraisal report dated October 4, 2022.

Social Services Provider

Catholic Charities of the Archdiocese of Newark (CCAN) will be the social services provider for Highland Views Phase I. With over 100 years of experience, CCAN will dedicate service coordinate and case management staff to the Project for a minimum of 20 hours/week for the eighteen (18) special needs units in the Project. CCAN will provide linkages to mainstream resources; and access, access, linkages and on-going follow-up to existing community resources that include but are not limited to:

- Employment programs including job training and job search assistance.

- Education programs including GED tutoring, literacy training, and linkages to higher education.
- Financial management training from a qualified provider and on-going budget support.
- Linkage and on-going follow-up services to health care, including dental care, and physical health and primary health care prevention services.
- Other services including mental health care, addiction services, social skills training, wellness programs, etc.

CCAN will maintain a 24 hours per day, 7 days per week on-call crisis response capability. All services will be provided on site at the Project, services will available to resident on a voluntary basis and will not be a condition of residency. There will be no out of pocket expenses for supportive services or case management services.

Operations

The Housing Authority of the City of Newark ("NHA") has committed 86 40-year Section 8 Project Based Housing Choice Vouchers.

Agency Financing

The Agency will provide permanent loan financing in the estimated amount of $14,452,856. This loan will be evidenced by two mortgage notes. Both notes will be secured by a first mortgage lien on the property. Note I is anticipated to be in the amount of $10,298,647, at an estimated annual interest rate of 5.90%, for an estimated term of 32 years. In order to meet the 55% aggregate basis test, as required by the Agency's underwriting guidelines, Note II must be funded through bond proceeds in an amount anticipated to be $4,154,209, at an estimated interest rate of 4.55%, with a maturity date of 24 months from the date of loan closing. Note II will be additionally secured by an assignment of syndication proceeds.

The Agency will provide a construction and permanent loan from the SNHTF in an estimated amount of $2,700,000, at an estimated annual interest rate of 0% during construction and an estimated 1% interest rate at permanent rollover for an estimated term of 32 years from permanent conversion. This loan will be repaid with twenty-five percent (25%) of the Project's available cash flow. This mortgage will be secured by a subordinate lien on the property.

Escrow Requirements

Working Capital	The Multifamily Program and Lending Guidelines require that a debt service and operating expense reserve be established in the estimated amount of $527,461 to be held by the Agency.

Insurance	The Multifamily Program and Lending Guidelines require that a 1/2-year insurance reserve be established in the amount of $30,100 to be held by the Agency.
Taxes	The Multifamily Program and Lending Guidelines require that a 1/4-year tax reserve be established in the amount of $18,134 to be held by the Agency.
Debt Service Payment and Servicing Fee for One Month	The Multifamily Program and Lending Guidelines require that a debt service payment and servicing fee reserve of one month be established in the amount of $63,149 to be held by the Agency.
Operating Reserve	The LIHTC syndicator has required that an operating reserve be established in the amount of $292,375, funded and held by syndicator.

Other Funding Sources

LIHTC	The Sponsor is applying for 4% federal LIHTC and anticipates the sale of the tax credits at 0.935 cents on the dollar. In exchange for the tax credits, the investor, PNC Bank, N.A., is expected to generate equity for the Project in the amount of $12,304,345.
Newark Housing Authority Loan	The Sponsor has received a construction and permanent financing commitment in amount of $1,772,937 from the Newark Housing Authority.
Construction Financing	The Sponsor has received a construction commitment from PNC Bank N.A. in the amount of $16,300,000 at a rate of 5.31%, for thirty (30) months.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of $3,421,110 during construction of which $1,782,122 is anticipated to be paid at permanent take-out, leaving $1,638,988 in the deal. **The deferred portion of the developer fee shall be achieved from cash flow after payment of debt service, operating expenses and funding of all required escrows and reserves. Return on Equity will be achieved after the collection of the deferred developer fee.**

Exhibit A

Terms and Conditions

Borrower:	MAR NHA WSV Phase 1 LLC, such entity to be called below the “Sponsor.” This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.
Use of loan funds:	Take-out permanent financing for new construction of a multifamily rental housing project known as Highland Views Phase I, HMFA #07820 (the “Project”). Special Needs Housing Trust Fund construction and permanent financing for the Project.
Principal:	First mortgage loan; Note I at \$10,298,647 and Note II at \$4,154,209 provided, however, that the Executive Director is authorized to adjust this amount pursuant to the Underwriting Parameters set forth below. Subordinate Special Needs Housing Trust Fund mortgage loan in the amount of \$2,700,000.
Permanent Interest:	First mortgage loan, Note I at 5.90% per annum, and Note II at 4.55%, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below. Subordinate Special Needs Housing Trust Fund mortgage loan at 1% interest.
Annual Servicing Fee:	Loan is underwritten using an annual servicing fee of 40 Basis points if Borrower pays two points to reduce the servicing fee and the 2% tax credit allocation fee.
Permanent Term:	First mortgage loan, Note I at 32 years and First mortgage loan, Note II at 24 months from the date of loan closing. Subordinate Special Needs Housing Trust Fund mortgage loan at 32 years.
Collateral:	First leasehold mortgage, Note I and Note II lien on Project real estate; security interest in personal property included in the Project; First mortgage Note II an assignment of syndication proceeds and/or whatever other funds that are

listed as payoff of Note II, as listed in conditions # 8, 9, and 10 below.

Repayment: First mortgage loan, Note I will be repaid from Project Revenues Note II will be repaid from tax credit equity or other sources available to the Sponsor.

Subordinate SNHTF mortgage loan will be repaid from 25% of the Project's cash flow.

Source of loan funds: Tax-exempt bonds, SNHTF funds, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.

Underwriting parameters: The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) the debt service coverage ratio, 2) term of the loan, 3) the interest rate, 4) the income and expense projections, and 5) the sources and uses of project development funds. Using a minimum required debt service coverage ratio of 1.15, a term of 32 years, an interest rate of 5.90% per annum, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $10,298,647. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage loan amount that the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 through 5 above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or if the Agency's risk assessment dictates a revised minimum debt service coverage ratio, then the mortgage loan amount may be adjusted to an amount that would maintain the Agency-determined appropriate debt service coverage ratio

The First Mortgage, Note II loan amount is determined by: 1) the amount of funds needed to achieve 55% coverage of the aggregate project costs and 2) evidence of sources of funds to repay loan evidenced by Note II at the time of its maturity. The Project can support a First Mortgage Loan, Note II loan amount of $4,154,209, as set forth on the attached Form 10. The Note II will accrue simple interest at an estimated rate of 4.55% per annum with a term of 24 months. Items 1 and 2 are variable factors that can change between mortgage loan commitment and closing. If the projected net operating income changes due to increases or decreases in income and/or expenses or if the sources and uses of project development funds changes, then the Note I and/or Note II loan amounts may be adjusted commensurately. As such changes impact the mortgage loan the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 and 2 as stated above to reflect changes to the variable factors.

The working capital amount is derived through a projection of the 1) completion date of the project, 2) the number of units to be occupied at the time the Agency closes its permanent loan, 3) the actual rents, other income, debt service and operating expenses at time of loan closing, 4) the projected amount of time to rent up the remaining units to reach sustaining occupancy and 5) market conditions as reflected in the appraisal/market study. If the actual factors at the time the Agency makes its loan are different from what is projected in this commitment, Agency staff is hereby authorized to adjust the working capital to reflect the actual factors.

Affordability Controls: For affordability controls, the Sponsor has selected 40% at 60% set-aside, meaning 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the AMI.

For purposes of calculating return on equity, 53% of units are projected to be occupied by low-income households (earning less than 50% of AMI) and, 47% of units are projected to be moderate income households (earning 50% to 80% of AMI; however the number of units and percentages listed above can carry so long as it would not change the ability of the loan to be underwritten as approved and so long as the Executive Director approves same.

18 units are set aside for purposes of the Special Needs Housing Trust Fund for the homeless individuals and families.

Commitment Fee and Expiration Date:

A commitment fee of $50,000 is due within 30 days from expiration of the 10-day Governor's veto period. If the fee is not received within this timeframe, this commitment will be null and void.

If the commitment fee is received within the above-listed timeframe, this commitment will expire February 28, 2026; however, the Executive Director is hereby authorized to extend the commitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

Mortgage Loan Commitment conditions:

1. Satisfactory compliance with the Agency's Multifamily Underwriting Guidelines and Financing Policy dated November 3, 2022, as may be amended.

2. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated June 30, 2022, as may be amended.

3. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

4. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

5. The receipt of all necessary environmental and municipal approvals satisfactory to the Agency staff and the Attorney General's Office including, but not limited to, zoning variances, site plan and a tax abatement agreement pursuant to N.J.S.A. 55:14K-37 or the Long-Term Tax Exemption Law, if applicable. In the event a tax abatement is obtained under the Long-Term Tax Exemption Law, the Agency reserves the right to request a tax abatement under N.J.S.A. 55:14K-37 as a further condition of commitment, and reserves the right to require the Sponsor to relinquish its status as an urban renewal entity.

6. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff <end sentence here if Agency is providing construction loan.

7. The Agency will not fund any additional construction costs that exceed the approved construction budget reflected in the board approved committed Form 10. Any additional construction costs exceeding the Form 10 contingency will be borne solely by the developer.

Exhibit A

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Multifamily Underwriting Guidelines and Financing Policy dated November 3, 2022, as may be amended

2. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated June 30, 2022, as may be amended

3. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.

4. The Sponsor agrees that the Project must comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

5. Mortgage loan closing shall not occur until construction is completed in accordance with the plans and specifications approved by Agency staff. Construction shall be deemed completed at the sole discretion of Agency staff. Prior to permanent mortgage loan closing, the Sponsor must submit an audit of the development costs of the completed project, which the Agency must review and approve in its sole discretion.

6. The Agency must receive from the Sponsor insurance covering the Project in full compliance with all applicable Agency Insurance Specifications and Minimum Requirements ("Agency Insurance Requirements"). The applicable Agency Insurance Requirements are found on the Agency's Website (www.njhousing.gov) under the Quicklinks Tab and accessing Insurance Resources. By submitting the Financing Application for the Project, the Sponsor acknowledges that they have reviewed the applicable Agency Insurance Requirements and will fully comply with same to the sole satisfaction of the Agency.

7. Submission, verification and compliance with the Agency's requirement for construction completion guarantees *(100% Payment and Performance Bond for Agency construction loans or Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans)*, including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.

8. The Sponsor must provide evidence that the syndication payment due and payable will be made directly from the Syndicator to the Agency.

9. The Sponsor agrees, in addition to all other required loan documents, to execute an Assignment of Syndication Proceeds to the Syndicator must also execute the Assignment, or other appropriate legal assurances which must be provided in a form and manner satisfactory to Agency staff and the Attorney General's Office that payment of the syndication proceeds will be made directly from the Syndicator to the Agency.

10. The Sponsor's formation agreement must each include a clause requiring direct payment to the Agency.

11. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.

<u>Post - Closing conditions:</u>

1. Receipt by Agency staff of an original insurance policy covering the Project and naming the Agency as: a) first mortgagee, b) lender's loss payable and c) additional insured, along with receipt demonstrating that the policy is paid in full. Note that an insurance certificate is not sufficient to meet this requirement. If a full insurance policy is temporarily unavailable, closing may occur on an insurance certificate if a letter is submitted from the insurance provider (not the broker) confirming that the insurance agent has the authority to bind the provider insuring the Project pursuant to the certificate of insurance.

Project Report

Legislative District:	29
Congressional District:	10
Census Tract:	231.00

<u>Development Team</u>:

<u>Developer/Applicant</u>:	MAR Acquisition Group, LLC 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007
<u>Sponsor/Borrower Entity:</u>	MAR NHA WSV Phase 1 LLC 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007

Exhibit A

<u>Principals</u>:	Ralph Salermo 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007
<u>Consultant:</u>	Mark Gioioso Mark V Gioioso LLC 1450Whipporwill Way Mountainside, NJ 07092 732-236-3195
<u>Architect</u>:	KNTM Architects, LLC 28 Washington Street East Orange, NJ 07017 973-676-7700
<u>Attorney</u>:	Convergent Law Jong Nee 101 Eisenhower Parkway, Suite 101 Roseland, NJ 07068 973-358-2500
<u>General Contractor</u>:	RAMAS Contractors LLC 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007
<u>Managing Agent:</u>	MAR Acquisition Group, LLC 921 Elizabeth Avenue Elizabeth, NJ 07201 908-289-9007
<u>Social Services Provider:</u>	Catholic Charities of the Archdiocese of Newark 590 North 7th Street Newark, NJ 07107 973-222-2722
<u>Clearances and Disclosures:</u>	All required disclosures from federal, State and/or municipality will be submitted prior to project funding.
<u>Site Control:</u>	The Borrower has entered into an option agreement to lease.
<u>Zoning:</u>	The property is properly zoned for the proposed use.

Utilities:	All utilities are available to the site.
Land Valuation:	Has been determined in accordance with Agency standards set forth in the Agency's underwriting guidelines.
Taxes:	Tax abatement has been granted in accordance with N.J.S.A. 55:14K-37.
Environmental:	Has been completed in accordance with Agency underwriting standards set forth in the Agency underwriting guidelines.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$500,000	($5,814/DU)	($6/SF)
Construction Costs (Including Contractor Fee)	$18,994,720	($220,869/DU)	($209/SF)
Contingencies	$1,023,075	($11,896/DU)	($11/SF)
Developer Fee	$3,500,000	($40,698/DU)	($39/SF)
Professional Fees	$1,063,750	($12,369/DU)	($12/SF)
Carrying Financing Costs	$2,041,432	($23,738/DU)	($22/SF)
Other Charges	$1,591,941	($18,511/DU)	($18/SF)
TOTAL DEVELOPMENT COST	$28,714,918	($333,894/DU)	($316/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage Loan, Note I	$10,298,647	($119,752/DU)
NJHMFA SNHTF	$2,700,000	($31,395/DU)
LIHTC Equity ($***0.935)*** ***PNC Bank, N.A.***	$12,304,345	($143,074/DU)
Newark Housing Authority Loan	$1,772,937	($20,616/DU)
Deferred Developer Fee	$1,638,988	($19,058/DU)
TOTAL PROPOSED PERMANENT SOURCES	$28,714,917	($333,894/DU)

Exhibit A

<u>REPAYMENT OF HMFA NOTE II PLUS INTEREST (And/or any Construction Bridge Loan).</u>

HMFA Note II	$4,154,209	($48,305/DU)
Note II Interest	$94,508	($1,099/DU)
TOTAL HMFA Note II	$4,248,717	($49,404/DU)

<u>LESS PROPOSED SOURCES</u>

LIHTC installment III	$4,248,717
TOTAL SOURCES PROPOSED	$4,248,717

<u>BREAKOUT OF DEVELOPMENT COSTS</u>:

Acquisition	$500,000
Percentage of Total Development Costs	2%

Construction Cost + Hard Cost Contingency + Utility Connection Fees	$20,004,456
Percentage of Total Development Costs	70%

**Remaining Soft Cost	$8,210,462
Percentage of Total Development Costs	29%
Percentage of Construction Costs	41%

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost	$8,210,462
Less	
Negative Arbitrage	$289,057
Deferred Developer Fee	$3,421,110
Escrows	$638,844
Other: (ie: tax credit fees, interest, points)	$289,057
TOTAL	$5,527,756
Net Soft Costs	$2,682,705
Percentage of Total Development Costs	9%
Percentage of Construction Costs	13%

BREAKOUT OF PER UNIT COST ($302,500 for one to four stories building or $330,000 five or six stories or $357,500 for over six stories building)

Total Development Cost	$28,714,918	($333,894/DU)
Less		
Reserves	$638,844	($7,428/DU)

Req Deferred Developer Fee	$1,638,988	($19,058/DU)
NET TOTAL DEVELOPMENT COSTS	$26,437,085	($307,408/DU)

The mortgage loan was sized based on the Sponsor's affordability election and the following assumptions

Affordability Overview
Rental Housing Summary

# Units	Unit Type	Net Monthly Rent	Utility Allowance	Range of Affordability
7	1BR	$1,546	$60	Section 8 – 30%AMI
1	2BR	$1,847	$80	Section 8 – 30%AMI
35	1BR	$1,546	$60	Section 8 – 47.5%AMI
2	2BR	$1,847	$80	Section 8 – 47.5%AMI
38	1BR	$1,546	$60	Section 8 – 57.5%AMI
2	2BR	$1,847	$80	Section 8 – 57.5%AMI

1 2BR - Superintendent's Unit
86 Units

Attachments:
Form-10
Prior Board Approval Dated November 3, 2022

Highland Views Phase I **June 27, 2024**
Newark, Essex County
HMFA #07820
Developer: MAR Acquisition Group, LLC
# of Units: 86 units including 18 units set aside for Homeless Individuals
Population: Senior 55+

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a modification of the mortgage loan commitment for a project known as Highland Views Phase I HMFA #07820 (the "Project"), upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

On September 7, 2023, the Agency Board approved a permanent-only mortgage commitment in the amount of $14,453,000 and a subsidy mortgage loan commitment in the amount of $2,700,000 in construction and permanent financing from the Special Needs Housing Trust Fund for the Project. At the time of commitment, the Sponsor received a construction commitment from PNC Bank N.A. in the amount of $16,300,000 at a rate of 5.31% for thirty (30) months. The construction lender has been revised to Citizens Bank N.A. due to economic effects, which included an unstable rise in interest rates. The Sponsor received a construction loan commitment from Citizens Bank N.A. in the amount of $16,300,000 at a rate of 7.48%, for thirty (30) months. The Sponsor has provided the required due diligence and staff supports the modification of the construction lender.

Construction is anticipated to commence in July 2024 with an anticipated completion date in July 2026.

Prior Board Approval

On November 3, 2022, the Agency Board approved a Declaration of Intent for construction and permanent financing.

On September 7, 2023, the Agency Board approved a permanent-only mortgage commitment.

Exhibit A

Conditions:

1. Except as modified herein, all other conditions in the previous Board Action dated September 7, 2023 must be satisfied in a form and substance satisfactory to Agency staff. In the event of a conflict between any prior Agency Action(s) and this commitment, the terms of this commitment shall control.

Attachments:

Prior Board Approval Dated November 3, 2022
Prior Board Approval Dated September 7, 2023

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A MORTGAGE FINANCING COMMITMENT FOR THE PROJECT KNOWN AS APARTMENTS AT CLINTON, HMFA #03518

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

.

Laura Shea
Assistant Secretary

Exhibit A

Apartments at Clinton **May 1, 2025**
Clinton Twp., Hunterdon County
HMFA #03518
Developer: PIRHL Developers, LLC
# of Units: 84 (includes 4 units set-aside for Individuals coming out of nursing homes and 5 units for Homeless)
Population: Family

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

1. Approval of a mortgage commitment for an estimated $12,273,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as Apartments at Clinton, HMFA #03518 (the "Project"), upon the terms and conditions set forth below.

2. Approval of a subsidy mortgage loan commitment for an estimated $300,000 in permanent financing from the Money Follows the Person Housing Partnership Program ("MFPHPP") for the Project, pursuant to the MFPHPP Program Guidelines.

3. Approval of a subsidy mortgage loan commitment for an estimated $300,000 in permanent financing from the Special Needs Housing Trust Fund Program ("SNHTF") for the Project, pursuant to the SNHTF Program Guidelines.

Issues, Comments and Related Actions:

This Project was awarded 9% Low Income Housing Tax Credits ("LIHTC") in the September 2020 round. Construction began in March 2022 and was completed on October 31, 2023.

On February 8, 2024, the Agency Board approved a commitment for permanent financing, but due to rent up delays the Project's second extension expired on December 31, 2024. Conifer Realty acquired PIRHL Developers, LLC's New Jersey portfolio on March 17, 2023 and the Transfer of Ownership will take place after permanent conversion. The Sponsor has provided the due diligence and staff supports Agency approval of the commitment.

Prior Board Approval

On August 6, 2020, the Agency Board approved a conditional commitment for permanent only financing.

On February 24, 2022, the Agency Board approved a recommitment for permanent only financing.

Exhibit A

On April 7, 2022, the Agency Board approved a commitment for permanent only financing of Special Needs Housing Trust Fund.

On February 8, 2024, the Agency Board approved a commitment for permanent only financing.

The Applicant/Developer

PIRHL Developers, LLC, located in Hamilton, NJ and Cleveland, Ohio, is the applicant for the Project's financing and will also act as the developer for the Project.

PIRHL is a full-service developer, general contractor and owner of single-family and multi-family housing. To date, the company has developed 60 properties and over 6,287 units, serving clients in the following regions: Midwest, Mid-Atlantic and Southeast. Projects that PIRHL Developers, LLC has completed are: Library Court, in Shaker Heights, Ohio; Church Square Commons, in Cleveland, Ohio; Greenway Senior Housing, in Ashtabula, Ohio and Maple Garden Apartments, in Uniontown, Pennsylvania. Projects that PIRHL Developers, LLC has completed with the Agency are Wemrock Senior Living, HMFA #03268, Apartments at Montgomery HMFA #03346 and Apartments at Warren, HMFA #3405. Princeton Senior Living, HMFA #3525 are under construction.

The Sponsor/Borrower

The applicant for the Project's financing has formed a limited liability company known as Clinton LIHTC Urban Renewal LLC, such entity also to be known as the "Sponsor" and/or "Borrower." PIRHL Clinton MM LLC will be the managing member of and will hold 0.0049% ownership interest in Clinton LIHTC Urban Renewal LLC and Prevention Affordable LLC will be the administrative member of and will hold a 0.0051% ownership interest in Clinton LIHTC Urban Renewal LLC. BF Clinton Woods, LLC, a Limited Company will be the Investor Member and will hold 99.99% ownership interest in Clinton LIHTC Urban Renewal LLC and BCCC, Inc., an affiliate of Boston Financial Investment Management, will be the Special Member and hold a nominal ownership interest in Clinton LIHTC Urban Renewal LLC.

General Contractor

PIRHL Contractors, LLC is the General Contractor for the Project. PIRHL Contractors, LLC is located in Hamilton, NJ and Cleveland, Ohio. The General Contractor has experience with the Agency as the general contractor of Wemrock Senior Living and Apartments at Montgomery, and Apartments at Warren. They have experience building single-family and multi-family housing in the following regions: Midwest, Mid-Atlantic and Southeast. Those projects include Danville Family Homes located in Danville, Virginia; George Street Commons located in York, Pennsylvania; Water Tower Place Apartments located in Elkhart, Indiana and New Community Place located in Cleveland, Ohio.

Acquisition

PIRHL Developers, LLC entered into a Resolution with the Township of Clinton dated

May 9, 2018, selecting PIRHL Developers, LLC as the developer for the site. As per the Resolution, the Township of Clinton will donate the site to the administrative member of the Sponsor for one dollar, which will then be contributed to Clinton LIHTC Urban Renewal LLC. On June 13, 2018, the Township of Clinton entered into an Affordable Housing Agreement with Clinton LIHTC Urban Renewal LLC.

Per the appraisal report dated December 16, 2024, the "as is" land value of the property is $2,100,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed Project, $1.00 is recognized for acquisition costs.

The Project

The Project will consist of the new construction of a garden-style 7 story building located at 1355 Route 31 South, Hunterdon County on Block 82 and Lot 4.03 (the "Property"). The Project will be a family facility with 84 units. The development will offer 16 one-bedroom, 47 two-bedroom and 21 three-bedroom units. The net rents for the one-bedrooms range from $478 to $1483, two- bedrooms range from $570 to $1777 and the three-bedrooms range from $646 to $2039. The units will range in size between 780 and 1611 square feet. Unit amenities will include open floor plans, modern kitchens with Energy-Star appliances. The development will include management services and an onsite community room for the residents for uses such as resident support spaces, social gatherings, and resident activities. There will be 143 total parking spaces for the residents. Additionally, a social services room will be provided on the ground floor of the development to accommodate health and wellness needs.

The Project is located in the southern portion of the township in an area of mostly residential uses and wooded land, with some neighborhood commercial uses located along Route 31. The Project is within close proximity to major highways, public transportation, health services, local shopping and recreational facilities.

Conifer Management, LLC will be the Property Manager of the Project.

For tax credit purposes, the Sponsor will select the 40% at 60% set aside**.**

Utilities

Heat, hot water, air conditioning, cooking and household electric will be serviced by electricity, individually metered, and paid by the tenant. Water and sewer will be master metered and paid by the Project.

Market Analysis

The Project will likely draw its potential residents from Hunterdon County and the nearby market area. The capture rate, defined as the estimated percentage of the total potential market for a type of property that is currently absorbed by existing facilities or is forecast to be absorbed by proposed facilities, is 10.56%. The projected absorption for the Project is 7 months post completion. The capitalization rate, the ratio between the net operating income and the current value of the property, is 6.50%, as per the appraisal report dated December 16, 2024.

Social Services Provider

Apartments at Clinton will be supervised by Moderate Income Management Company, Inc (the "Service Provider") and staff will be on-site for a minimum of 20 hours per week. The Service provider will work collaboratively with the Department of Aging Services ("DoAS") to select residents appropriate for the setting.

The Service Provider will be responsible for hiring a qualified, salaried Social Service Coordinator to be the on-site liaison between residents and social services organizations. The Social Services Coordinator will advocate on behalf of the residents and have the responsibility of linking residents with available supportive services. The Service Provider will complete assessments and establish and implement goals as dictated in the person's Individual Service Plan (ISP), to increase skill levels consistent with the parents/guardians' wishes and in accordance with DoAS requirements. The individual's support can include skills training, common household training, social and recreational opportunities, the enhancement of independence, and community integration.

DoAS will refer tenants to units in the development and the Service Provider will review the applicant to determine if the applicant meets eligibility requirements. Assuming that the tenant is qualified, the tenant will lease the unit and DoAS staff will oversee and monitor the initial transition plan, developed and provided by the managed care organization ("MCO"). The MCO assigns each participant a care manager.

Operations

Four Section 811 Project-Based Rental Assistance vouchers have been committed for the 4 MFP Units.

Agency Financing

The Agency will provide a permanent only loan from the Agency Revenue Bond Financing Program in the estimated amount of $12,272,246 with an estimated term of 40 years. The annual interest rate for $10,092,246 of the total loan amount will be 5.20%, and the annual interest rate for $2,180,000 of the total loan amount will be 7.15%. The loan will be secured by a first mortgage lien on the Property.

The Agency will also provide subordinate permanent loan financing from the Money Follows the Person Housing Partnership Program for the project in the estimated amount of $300,000, at an estimated annual interest rate of 1%, with an estimated term of 40 years. The loan will be secured by a subordinate mortgage lien on the Property. The loan will be repaid from 25% of the Project's cash flow, after repayment of developer fee.

The Agency will also provide subordinate permanent loan financing from the Special Needs Housing Trust Fund Program for the project in the estimated amount of $300,000 at an estimated annual interest rate of 1%, with an estimated term of 40 years. The loan will be secured by a subordinate mortgage lien on the Property. The loan will be repaid from 25% of the Project's cash flow, after repayment of developer fee.

Escrow Requirements

Working Capital	The Multifamily Program and Lending Guidelines require(s) that a debt service and operating expense reserve be established in the estimated amount of $603,440 to be held by the Agency.
Insurance	The Multifamily Program and Lending Guidelines require(s) that a half-year insurance reserve be established in the amount of $23,100 to be held by the Agency.
Taxes	The Multifamily Program and Lending Guidelines require(s) that a quarter-year tax reserve be established in the amount of $11,513 to be held by the Agency.
Debt Service Payment and Servicing Fee for One Month	The Multifamily Program and Lending Guidelines require(s) that a debt service payment and servicing fee reserve of one month be established in the amount of $68,285 to be held by the Agency.
Operating Reserve	The LIHTC syndicator has required that an social services operating reserve be established in the amount of $300,000, funded and held by Boston Financial Investment Management.

Other Funding Sources

LIHTC/Hardship Credits	The Sponsor was awarded 9% federal LIHTC and anticipates the sale of the tax credits at 0.955 cents on the dollar. In exchange for the tax credits, the investor, Boston Financial Investment Management, is expected to generate equity for the Project in the amount of $13,209,000. In addition, $955,098 of hardship credit equity at 0.955 cents on the dollar purchased from the investor for a total estimated equity of $14,164,098.
Construction Financing	The Sponsor has received a construction commitment from Citizens Bank in the amount of $20,010,039 at a rate of the Bloomberg Short Term Bank Yield Index plus 225 basis points for 30 months.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of $1,319,272 during construction of

	which $736,251 is anticipated to be paid at permanent take-out, leaving $583,021 in the deal. **The deferred portion of the developer fee shall be achieved from cash flow after payment of debt service, operating expenses and funding of all required escrows and reserves. Return on Equity will be achieved after the collection of the deferred developer fee.**
FHLB	The Sponsor has received a commitment in the amount of $650,000 from the Federal Home Loan Bank ("FHLB"). These funds will come into the project through a subordinated mortgage loan.
Sponsor Loan	The Sponsor has received a commitment in the amount of $961,127 from Clinton LIHTC Urban Renewal, LLC at a rate of 0% and repayment shall be made in accordance with repayment of Development Advances and Subordinated Loans, as applicable, pursuant to the Operating Agreement. These funds will come into the project through a subordinate mortgage loan.

Terms and Conditions

Borrower:	Clinton LIHTC Urban Renewal, LLC, such entity to be called below the "Sponsor." This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.
Use of loan funds:	Take-out permanent financing for new construction of a multifamily rental housing project known as Apartments at Clinton, HMFA #03518 (the "Project"). Money Follows the Person permanent financing for new construction of a project known as Apartments at Clinton, HMFA #03518 (the "Project"). Special Needs Housing Trust Fund permanent financing for new construction of a project known as Apartments at Clinton, HMFA #03518 (the "Project").
Principal:	First mortgage loan; Note I at $12,272,246 provided, however, that the Executive Director is authorized to adjust this amount pursuant to the Underwriting Parameters set forth below. Subordinate Money Follows the Person mortgage loan in the amount of $300,000.

Exhibit A

	Subordinate Special Needs Housing Trust Fund mortgage loan in the amount of $300,000.
Permanent Interest:	First mortgage loan, Note I at 5.20% and 7.15% annum, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below. Subordinate Money Follows the Person mortgage loan at 0% interest. Subordinate Special Needs Housing Trust fund mortgage loan at 1% interest.
Annual Servicing Fee:	Loan is underwritten using an annual servicing fee of 40 Basis points if Borrower pays two points to reduce the servicing fee and the 2% tax credit allocation fee.
Permanent Term:	First mortgage loan at 40 years from the date of loan closing. Subordinate Money Follows the Person mortgage loan at 40 years. Subordinate Special Needs Housing Trust Fund mortgage loan at 40 years.
Collateral:	First mortgage lien on Project real estate and security interest in personal property included in the Project. Subordinate MFP mortgage lien on Project real estate and security interest in personal property included in the Project. Subordinate SNHTF mortgage lien on Project real estate and security interest in personal property included in the Project.
Repayment:	First mortgage loan will be repaid from Project Revenues. Subordinate Money Follows the Person mortgage loan will be repaid from 25% of the Project's cash flow. Subordinate Special Needs Housing Trust Fund mortgage loan will be repaid from 25% of the Project's cash flow.

Exhibit A

Source of loan funds:	Taxable bonds, MFP, SNHTF, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.
Underwriting parameters:	The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) the debt service coverage ratio, 2) term of the loan, 3) the interest rate, 4) the income and expense projections, and 5) the sources and uses of project development funds. Using a minimum required debt service coverage ratio of 1.15, a term of 40 years, an interest rate of 5.20% per annum for $10,092,246 of the total loan amount, and an interest rate of 7.15% for $2,180,000 of the total loan amount, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $12,272,246. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage loan amount that the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 through 5 above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or if the Agency's risk assessment dictates a revised minimum debt service coverage ratio, then the mortgage loan amount may be adjusted to an amount that would maintain the Agency-determined appropriate debt service coverage ratio. The working capital amount is derived through a projection of the 1) completion date of the project, 2) the number of units to be occupied at the time the Agency closes its permanent loan, 3) the actual rents, other income, debt service and operating expenses at time of loan closing, 4) the projected amount of time to rent up the remaining units to reach sustaining occupancy and 5) market conditions as reflected in the appraisal/market study. If the actual factors at the time the Agency makes its loan are different from what is projected in this commitment, Agency staff is hereby authorized to adjust the working capital to reflect the actual factors.
Affordability Controls:	For affordability controls, the Sponsor has selected 40% at 60% set-aside, meaning 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the AMI.

	For purposes of calculating return on equity, 50% of units are projected to be occupied by low-income households (earning less than 50% of AMI), 50% of units are projected to be moderate income households (earning 50% to 80% of AMI) and 0% of units are projected to be market households (earning over 80 % of AMI); however the number of units and percentages listed above can carry so long as it would not change the ability of the loan to be underwritten as approved and so long as the Executive Director approves same.
Commitment Fee and Expiration Date:	The amount previously paid is $50,000 therefore no further fee is required at this time. This commitment will expire on September 1, 2025; however, the Executive Director is hereby authorized to extend the recommitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

<u>Mortgage Loan Commitment conditions:</u>

1. Satisfactory compliance with the Agency's Multifamily Underwriting Guidelines and Financing Policy dated March 20, 2025, as may be amended.

2. Satisfactory compliance with Agency's Money Follows the Person Housing Partnership Program Underwriting Guidelines and Financing Policy dated July 27, 2023, as may be amended.

3. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated March 20, 2025, as may be amended.

4. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

5. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

6. The receipt of all necessary environmental and municipal approvals satisfactory to the Agency staff and the Attorney General's Office including, but not limited to, zoning variances, site plan and a tax abatement agreement pursuant to <u>N.J.S.A.</u> 55:14K-37 or the Long Term Tax Exemption Law, if applicable. In the event a tax abatement is obtained under the Long Term Tax Exemption Law, the Agency reserves the right to request a tax abatement under <u>N.J.S.A.</u> 55:14K-37 as a further condition of commitment, and reserves the right to require the Sponsor to relinquish its status as an urban renewal entity.

7. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.

8. Except as modified herein, all other conditions in the previous Board Action dated February 8, 2024 must be satisfied in a form and substance satisfactory to Agency staff. In the event of a conflict between any prior Agency Action(s), and this recommitment, the terms of this recommitment will control. A $2,500 recommitment fee will be charged. This fee is due prior to the Board issuance of a recommitment.

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Multifamily Underwriting Guidelines and Financing Policy dated March 20, 2025, as may be amended.

2. Satisfactory compliance with Agency's Money Follows the Person Housing Partnership Program Underwriting Guidelines and Financing Policy dated July 27, 2023, as may be amended.

3. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated March 20, 2025, as may be amended

4. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.

5. The Sponsor agrees that the Project must comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

6. Mortgage loan closing shall not occur until construction is completed in accordance with the plans and specifications approved by Agency staff. Construction shall be deemed completed at the sole discretion of Agency staff. Prior to permanent mortgage loan closing, the Sponsor must submit an audit of the development costs of the completed project, which the Agency must review and approve in its sole discretion.

7. The Agency must receive from the Sponsor insurance covering the Project in full compliance with all applicable Agency Insurance Specifications and Minimum Requirements ("Agency Insurance Requirements"). The applicable Agency Insurance Requirements are found on the Agency's Website (www.njhousing.gov) under the Quicklinks Tab and accessing Insurance Resources. By submitting the Financing Application for the Project, the Sponsor acknowledges that they have reviewed the applicable Agency Insurance Requirements and will fully comply with same to the sole satisfaction of the Agency.

8. Submission, verification and compliance with the Agency's requirement for construction completion guarantees *(100% Payment and Performance Bond for Agency construction loans or Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans)*, including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.

9. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.

10. Receipt by Agency staff of an original insurance policy covering the Project and naming the Agency as: a) first mortgagee, b) lender's loss payable and c) additional insured, along with receipt demonstrating that the policy is paid in full. Note that an insurance certificate is not sufficient to meet this requirement. If a full insurance policy is temporarily unavailable, closing may occur on an insurance certificate if a letter is submitted from the insurance provider (not the broker) confirming that the insurance agent has the authority to bind the provider insuring the Project pursuant to the certificate of insurance.

Project Report

Legislative District: 23
Congressional District: 7
Census Tract: 110.02

Development Team:

Developer/Applicant: PIRHL Developers, LLC
David Burg
David Uram
15500 Pearl Road
PO Box 360619
Strongville, OH 44136
216-378-9690

Sponsor/Borrower Entity: Clinton LIHTC Urban Renewal, LLC
15500 Pearl Road
PO Box 360619
Strongville, OH 44136
216-378-9690

Exhibit A

Principals:	David Burg David Uram 15500 Pearl Road PO Box 360619 Strongville, OH 44136 216-378-9690
Contact:	David Uram 15500 Pearl Road PO Box 360619 Strongville, OH 44136 216-378-9690
Architect:	WRT Jacquelin Camp 2800 Market Street, Suite 2800 Philadelphia, Pa 19103 215-732-5215
Attorney:	Greenberg Traurig, LLP Joshua Cohen 1717 Arch Street, Suite 400 Philadelphia, PA 19103 215-988-7815
General Contractor:	Paul Soha PIRHL Contractors, LLC 15500 Pearl Road PO Box 360619 Strongville, OH 44136 216-378-9690
Managing Agent:	Conifer Management, LLC Jeff Baker 1000 University Avenue, Suite 500 Rochester, NY 14607 585.568.5874
Social Service Provider:	Moderate Income Management Company, Inc. P.O. Box 3709 Princeton, NJ 08543

Exhibit A

609-989-8500

Clearances and Disclosures:	All required disclosures from federal, State and/or municipality will be submitted prior to project funding.
Site Control:	The Borrower has entered into a Resolution with the Township of Clinton.
Zoning:	The property is properly zoned for the proposed use.
Utilities:	All utilities are available to the site.
Land Valuation:	Has been determined in accordance with Agency standards set forth in the Agency's underwriting guidelines.
Taxes:	Tax abatement has been granted in accordance with N.J.S.A. 55:14K-37.
Environmental:	Has been completed in accordance with Agency underwriting standards set forth in the Agency underwriting guidelines.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$1	($0/DU)	($0/SF)
Construction Costs (Including Contractor Fee)	$21,396,624	($254,772/DU)	($226/SF)
Contingencies	$0	($0/DU)	($0/SF)
Developer Fee	$1,477,500	($17,589/DU)	($16/SF)
Professional Fees	$2,217,382	($26,397/DU)	($23/SF)
Carrying Financing Costs	$2,656,992	($31,631/DU)	($28/SF)
Other Charges	$1,479,595	($17,644/DU)	($16/SF)
TOTAL DEVELOPMENT COST	$29,228,094	($347,954/DU)	($308/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage Loan, Note I	$12,272,246	($146,098/DU)
FHLB	$650,000	($7,738/DU)
LIHTC Equity ($0.955)	$13,209,000	($157,250/DU)
Boston Financial Investment Management		
Hardship Equity Credits ($0.955)	$955,098	($11,370/DU)

Exhibit A

Boston Financial Investment Management		
MFP	$300,000	($3,571/DU)
SNHTF	$300,000	($3,571/DU)
GP Contribution	$100	($1/DU)
Sponsor Loan	$961,127	($11,442/DU)
Deferred Developer Fee	$580,522	($6,911/DU)
TOTAL PROPOSED PERMANENT SOURCES	$29,228,094	($347,954/DU)

<u>BREAKOUT OF DEVELOPMENT COSTS</u>:

Acquisition	$1
Percentage of Total Development Costs	0%

Construction Cost + Hard Cost Contingency + Utility Connection Fees	$21,570,262
Percentage of Total Development Costs	74%

**Remaining Soft Cost	$7,657,831
Percentage of Total Development Costs	26%
Percentage of Construction Costs	36%

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost	$7,657,831
Less	
Negative Arbitrage	$68,246
Deferred Developer Fee	$580,522
Escrows	$1,003,839
Other: (i.e.: tax credit fees, interest, points)	$1,691,515
TOTAL	$3,344,122
Net Soft Costs	$4,313,709
Percentage of Total Development Costs	15%
Percentage of Construction Costs	20%

BREAKOUT OF PER UNIT COST ($315,000 for one to four stories building or $380,000 five or six stories or $415,000 for over six stories building)

Total Development Cost	$29,228,094	($347,954/DU)	
Less			
Reserves	$1,006,338	($11,980/DU)	
Req Deferred Developer Fee	$580,522	($6,941/DU)	
NET TOTAL DEVELOPMENT COSTS	$27,643,733	($329,092/DU)	($292/SF)

Exhibit A

The mortgage loan was sized based on the Sponsor's affordability election and the following assumptions.

Affordability Overview
Rental Housing Summary

# Units	Unit Type	Net Monthly Rent	Utility Allowance	Range of Affordability
1	One Bedroom	$478	$58	20% AMI- Homeless
4	One Bedroom	$1457	$58	20% AMI- Section 811
3	One Bedroom	$1215	$58	47.5% AMI
8	One Bedroom	$1483	$58	57.5% AMI
2	Two Bedroom	$570	$58	20% AMI- Homeless
1	Two Bedroom	$892	$73	30% AMI
20	Two Bedroom	$1455	$73	47.5% AMI
24	Two Bedroom	$1777	$73	57.5% AMI
2	Three Bedroom	$646	$97	20% AMI- Homeless
1	Three Bedroom	$1017	$97	30% AMI
8	Three Bedroom	$1668	$97	47.5% AMI
10	Three Bedroom	$2039	$97	57.5% AMI

84 Units

Attachments:

Form-10
Prior Board Approval Dated August 6, 2020
Prior Board Approval Dated February 24, 2022
Prior Board Approval Dated April 7, 2022
Prior Board Approval Dated February 8, 2024

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY - with or without TAX CREDITS
SCHEDULE 10-A: PROJECT DESCRIPTION- PERMANENT ONLY LOAN

		Date Action Taken		
x	Cond'l Commitment	8/6/20	If a Closing Other Than Final - Indicate Type By Date	
x	Re-Commitment	2/24/22		HMFA#: 03518
x	Commitment	4/7/22	Special Needs:	Date: 4/3/25
x	Commitment	2/8/24	Commitment: 5/1/2025	Prepared by: Chalyn Toon
x	Re-Commitment	12/12/24		
x	Rate Lock	3/11/22	Other:	Reviewed by:
x	Bond Sale	12/18/24		
	Final Closing			

Apartments at Clinton
Project Name

1355 Route 31 South
Project Street Address

Zip Code: 18801

Municipality: Clinton Township
County: Hunterdon
Block No.: 82.00
Lot No.: 4.0300

Type of Development
(Select either Family or Senior Citizens (NOT BOTH))
Family: x
Senior Citizens:
Provide the following:
Legislative District: 23
Congressional District: 7
Census Tract: 110.02
No. of dwelling units: 84
No. of occupied units:
No. of Special Needs units: 9
Special Needs Population: 5 Homeless; 4 MFP 811
Construction Term: 17 (mos.)
Rent-up Period: 7 (mos.)

Type of Loan
Construction Loan:
Construction & Permanent Loan:
Permanent Loan Only: X

Type of Construction
New Construction: x
Modular:
Moderate Rehabilitation:
Substantial Rehab.:
Conversion:
Rehabilitation/Occupied:
Historic:

Parking
Total Number of Parking Spaces: 143
Ratio of parking to D.U.'s: 1.70

Type of Financing
Tax Exempt:
Taxable: X

Tax Credits — **Check One**
4%:
9%: X
Historic:

Affordability - Check One
** 40% AT 60%: X
*** 20% AT 50%:
Income Averaging:

Term of Mortgage (in years): 40
Locked Mortgage Interest Rate: 5.200%
Unlocked Mortgage Interest Rate: 7.150%

The Project is in a: Y or N
QCT: N
Smart Growth: Y
Planning Area: 2
(designate area)

ENTER DOLLAR AMOUNT
Type of Subsidy
Special Needs Program Funds: $
FRM-CDBG: $
Amt. Of FRM-CDBG/Unit:
Money Follows the Person: $ 300,000
Fire Supression: $
Other: $
Other: $

Cost Summary

Cost of Land and/or Improvements	$0	per DU	$0	per Sqft.
Construction Cost	$254,722	per DU	$226	per Sqft.
Total Project Cost	$347,954	per DU	$308	per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Average Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
Garden	7	3	1	780	16	12,480
			2	993	47	46,671
			3	1,596	21	33,516
Basement/Crawl Space						
****Garage Parking						
Garage & Parking						
Commercial Space						
Common/Other Space	Corridor, Community Room, Mgmt Office, Social Services					2,143
Totals	7				84	94,810

Total Project Cost	$29,228,094
Minus Eligible Costs:	
Reserves	$1,003,839
Deferred Developer Fee	$580,522
Non Basis Off Site Improvements	
=	$27,643,733
Cost Per DU	$329,092

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.
****Includes only parking beneath the building and/or parking structure

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

HMFA# 03518
Prepared by: Chalyn Toon
Reviewed by:

x	Inducement	Director of Technical Services	
x	Commitment		Date
x	Re-Commitment	Director of Multifamily	
x	Mtg. Extension		Date
x	Bond Sale	Managing Director of Multifamily	
	Closing	Chief of Multifamily	

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Source	Enter the total Loan Amount Here	Will loan/s be repaid from project revenues? (If Source is a grant, enter "G".) Y, or N, or G	Amount
a)	Citizens Construction Loan			$ 20,010,039
b)	LIHTC Equity 1st Install @ Closing	$14,164,099	$14,164,099	$ 3,541,025
c)	LIHTC Equity 2nd Install (partial) @ Construction Completion August 1, 2023			$ 2,228,063
d)	FHLB AHP			$ 650,000
e)				$
f)	GP Contribution			$ 100
g)				$
h)	**Deferred Developer's Fee**			$ 1,319,272
	TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			$ 27,748,499

2. USES of FUNDS DURING CONSTRUCTION:

Item	Notes	Amount	% of Cons't Cost OR Cost/Unit	Subtotal
A. ACQUISITION COSTS:				
a) Land	6.00 @ ($ 0.17 per Acre)	$ 1		
b) Building Acquisition	Should be between $15,000 & $25,000 per units			
c) Relocation				
d) Other:				1
B. CONSTRUCTION COSTS	Total Acquisition as a percent of Total Project Costs: 0.00%			
a) Demolition		$		
b) Off-site Improvements				
c) Residential Structures (including all on-site improvement)		16,355,634		
d) Community Building				
e) Environmental Clearances				
f) Surety & Bonding	should be between .75% and 2% of Construction Costs	182,601	0.85%	
g) Building Permits		130,200		
h) Garage Parking	garage should be approx $15,000/space; parking lot around $700/space			
i) General Requirements	should be about 6% of construction costs	841,039	4.38%	
j) Contractor Overhead & Profit	should not exceed 8% of construction costs - usually 2% for Overhead & 6% for Profit	1,333,475	6.94%	
k) Other PCCOs		2,553,675		
l) Other	Total Cons't Costs as a percent of Total Project Costs: 73.21%			21,396,624
C. DEVELOPERS FEE - CONSTR/REHAB	5.57% HMFA Policy is that the Developer fee is earned as a percentage of construction completion.	1,477,500		
DEVELOPERS FEE - BUILDING				1,477,500
D. CONTINGENCY	Non-Deferred Amt: $896,978 3.38%			
	Non-Deferred Amt on Building Acq Not to Exceeed 2% :			
a) Hard Costs	5% for New Construction & 10% for Rehabilitation			
b) Soft Costs	should be a Maximum of 5%			
E. PROFESSIONAL SERVICES				
a) Appraisal & Market Study		$ 31,333		
b) Architect		603,932		
c) Site Engineer		467,384		
d) Attorney		380,083		
e) Cost Certification/Audit	should not exceed $35,000	35,000		
f) Environmental Consultant		38,971		
g) Historical Consultant				
h) Geotechnical Consultant		86,871		
i) Surveyor		30,000		
j) Government Application Fees		353,016		
k) Concrete Radon and Energy Testing		126,140		
l) Tax Credit Application Fees	Total Professional fees as a % of Total Project Costs: 7.59%	12,100		2,217,382
m) Multifamily Application Fees		9,500		
n) NJDOT Design		43,052		
o) Other				
F. PRE-OPERATIONAL EXPENSES *	* Non-eligible costs in TC basis			
a) Operator fees (pre-construction completion) *	Should not exceed $250 per unit	$		
b) Advertising and Promotion (pre-construction completion)*				
c) Staffing and Start-up Supplies (pre-construction completion)*				
d) Other: *				
e) Other: *	Total Pre Opt Costs as a % of Total Project Costs:			
G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION	(percentage of total development costs)		9.09%	
a) Interest @	6.6103 % for (24 mos.) on $ 11,672,582	1,543,185		
b) R.E. Tax $	3,566 (per annum) x 2.00 Yrs.	7,132		
c) Insurance $	60,375 (per annum) x 2.00 Yrs.	120,750		
d) Title Insurance and Recording Expenses		99,093		
e) Utility Connection Fees		173,638		
f) Other Lender's Points		50,000		
g) Other Lender Construction Financing Fee		112,696		
h) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the time the Development is under construciton, these costs should be accounted for during the construction period.	148,330		
i) Negative Arbitrage (**if Bonds are sold during Construction**)		68,246		
j) Rate Lock Fee		201,845	(ESTIMATE)	
k) Furniture, Fixtures & Equipment (FF&E)		132,077		

Total Carrying/Fin. Costs as % of Total Project Costs:	9.09%	2,656,992

3. USES OF FUNDS DURING CONSTRUCTION: $ 27,748,499

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage): $ (0)

PERMANENT LOAN CLOSING

5. SOURCES OF FUNDS FOR PERMANENT FUNDING:	Y, or N, or G		
a) HMFA 1st Mortgage, NOTE I(**LOCKED RATE)**	Y	$	10,092,246
HMFA 1st Mortgage, NOTE I(**UNLOCKED RATE)**		$	2,180,000
b) Lihtc Equity 2nd Install @ Construction Completion August 1, 2023	7,790,254	$	5,562,191
c) Lihtc Equity 3rd Install @ Stabilization February 1, 2024		$	2,691,179
d) Lihtc Equity 4th Install @8609		$	141,641
e) Sponsor Loan		$	961,127
f) MFP		$	300,000
g) SNHTF		$	300,000
h)		$	
TOTAL SOURCES FOR PERMANENT CLOSING:		$	22,228,384

6. USES of FUNDS FOR PERMANENT CLOSING:

A. DEVELOPER'S FEE:					$	738,750
B. HMFA Points (to reduce annual servicing fee)**	2.00%	on	$ 12,272,246	245,445		245,445
C. HMFA Second Note Financing Fee **		on	$			
D. Special Needs Financing Fee **	3.00%	on	$ 300,000			9,000
E. CONSTRUCTION LOAN PAYOFF:					$	20,010,039
F. Construction Loan Interest Due(per diem)		on	$		$	
G. Negative Arbitrage **(ESTIMATE)**			(List Daily Amount)			
H. Cost of Issuance **(ESTIMATE)**						
I. Reimbursement of any Indemnification Fee not dedicated to other costs						
J. TAX CREDIT FEES						
K. R.E. Taxes due & Payable at Closing						148,330
L. Title Insurance	# of days		(List Daily Amount)			
M. HMFA Loan per diem interest on NOTE I (if applicable)		on	$			
N. Outstanding Payments to Professional & Sub-contractors						
O. Payment and Performance Bond, 30% Warranty Bond, or 10% Letter of Credit						
P. Other Fees:						
Q. **ESCROW REQUIREMENTS:**	**Total Costs@ PermClosing as%of Total Project Costs:**		**3.91%**			

1) Working Capital Escrow

a) Debt Service & Operating Expenses		601,341
b) Rental Agent Rent-up Fee (during Rent-up)		
c) Advertising and Promotion (during Rent-up)		72,981

2) Other Escrows

a) Insurance (1/2 YR.)	$	23,100
b) Taxes (1 Qtr.)	$	11,513
c) Debt Service Payment & Servicing Fee for 1 Month	$	67,885
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months	$	
e) Repair & Replacement Reserves	$	
f) HMFA Operating Deficit Reserve	$	
g) Other: Social Services Reserve Installment 3	$	300,000
h) Other: — **Total Escrows as a % of Total Project Costs: 3.68%**		

7. USES OF FUNDS FOR PERMANENT CLOSING	$	**22,228,384**
8. BALANCE NEEDED TO CLOSE (overage / shortage):	$	**(0)**
9. TOTAL PROJECT COSTS	$	**29,228,094**
10. LOCKED RATE MAXIMUM MORTGAGE LOAN	$	10,092,246
10. UNLOCKED RATE MAXIMUM MORTGAGE LOAN	$	2,180,000
10. TOTAL MAXIMUM MORTGAGE LOAN	$	12,272,246

11. 55% of Basis Test:

Aggregate Basis:	**$**	**27,478,408**
55% of Basis (estimated):		**15,113,125**
Less 1st Mtg., 1st Note:		
Equals 1st. Mtg., 2nd Note Needed:		**15,113,125**

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE)

List Source

Interest @ ____ (____) mos.

Principal $ ____ $ ____

Total $ ____ Total $ ____

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________ By: ______________________

(Developer or Authorized Signatory) NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity:	Clinton LIHTC Urban Renewal, LLC	HMFA#	03518
Dev. Name:	Apartments at Clinton	Prepared by:	Chalyn Toon
		Reviewed by:	
			(Director of Asset Management)

Date: 04/03/25

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	2,000
Telephone	2,228
Dues & Sub.	2,000
Postage	2,000
Insp. & Other Fees	3,000
Advertising	13,000
Legal Services	4,000
Auditing (Year End)	13,255
Soc. Serv. Suppl.	3,000
Misc. Adm. Expenses	700
Bookkeeping/Accounting	
and/or Computer Charges	7,348
Other:	
TOTAL $	52,531

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent		35,000
Janitorial		20,000
Grounds & Landscaping		
Security		
Social Services	0.50	20,000
Site Office & Admin	1.00	35,000
Maintenance		
Other Salaries:		
Empl. Benefits		24,200
Empl. Payroll Taxes		11,000
Worker's Comp.		3,300
Other:		
TOTAL $	1.50	148,500

III. MAINTENANCE AND REPAIRS

Masonary	2,500
Carpentry	2,000
Plumbing	2,000
Electrical	2,000
Kitchen Equipment	1,500
Elevator	
Windows & Glass	1,500
Vehicles & Equip.	1,000
Snow Removal	1,500
Grounds & Landscaping	1,250
Paint & Dec. Supl.	1,500
Small Equip. & Tools	1,250
Janit. Sup. & Tools	1,250
HVAC Supplies	1,250
Misc. Maint. Suppl.	1,210
Other:	
TOTAL $	21,710

IV. MAINTENANCE CONTRACTS

Security	1,680
Elevator	
Rubbish Removal	12,600
Heating & AC Maint.	9,240
Grounds, Parking & Landscaping	15,000
Exterminating	2,520
Cyclical Apt. Painting	9,800
Other:	
TOTAL $	50,840

V. UTILITY EXPENSE

Water Charges	42,000
Sewer Charges	42,000
Electricity	12,600
Gas	
Fuel	
Less Solar Energy Savings	
TOTAL $	96,600

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	$	1,579,656		
Less Vacancy	(-)	78,983		
Less Utilities (if applicable)	(-)	96,600		
Gross Sheltered Rents	$	1,404,073		
x Rate	x	3.28 %		ACTUAL TAXES
Real Estate Taxes	$	46,054	OR	IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	10,092,246		HMFA #	03518
LOCKED Interest Rate	5.20 %		Prepared by:	Chalyn Toon	04/03/25
Term (years)	40 Yrs.	**The Interest rate has been**	Reviewed by:	
Amortization (Y,S,M)	m	**reduced by:** ______ **basis points**			Date
FMR Area	Hunterdon	**as the Cost-of-Issuance is being**		
Mortgage Amount	2,180,000	**paid out-of-pocket by the sponsor.**	**Date of Income Limits Chart Used:**	05/15/23
UNLOCKED Interest Rate	7.15 %		**Date of Utility Chart Used:**	Magrann
Term (years)	40 Yrs.			
Amortization (Y,S,M)	m			
FMR Area	Hunterdon			

ANTICIPATED GROSS RENTS:

	No. of Bedrooms	No. of Units	Target ** Occupancy	Gross Rent	Allowance for Tenant Paid Utilities***	Net Rent	Monthly	Annual	Square Feet of Individual Units	
	1 Homeless	1	20% AMI	536	58	478	478	5,736	780	
	1 Section 811	4	Section 811	1,515	58	1,457	5,828	69,936	780	
	1	3	47.5% AMI	1,273	58	1,215	3,645	43,740	780	1,272
	1	8	57.5% AMI	1,541	58	1,483	11,864	142,368	780	1,526
	2 Homeless	2	20% AMI	643	73	570	1,140	13,680	942	
	2	1	30% AMI	965	73	892	892	10,704	932	
	2	7	47.5% AMI	1,528	73	1,455	10,185	122,220	993	1,526
	2	13	47.5% AMI	1,528	73	1,455	18,915	226,980	942	1,526
	2	18	57.5% AMI	1,850	73	1,777	31,986	383,832	1,130	1,832
	2	5	57.5% AMI	1,850	73	1,777	8,885	106,620	1,059	1,832
	2	1	57.5% AMI	1,850	73	1,777	1,777	21,324	1,153	1,832
	3 Homeless	2	20% AMI	743	97	646	1,292	15,504	1,611	
	3	1	30% AMI	1,114	97	1,017	1,017	12,204	1,297	
	3	8	47.5% AMI	1,765	97	1,668	13,344	160,128	1,611	1,763
	3	10	57.5% AMI	2,136	97	2,039	20,390	244,680	1,611	2,116
Super's Apt.*										
	TOTALS	**84**					**131,638**			

Anticipated Annual Gross Rents **1,579,656**

* Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put $0 in the Rent column.

** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income.
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom

*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.

EQUIPMENT AND SERVICES

(a) Equipment:		(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	X	Heat	e	i	x
Refrigerator	X	Hot Water	e	i	x
Air Conditioning	X	Cooking	e	i	x
Laundry Facilities	X	Air Conditioning	e	i	x
Disposal		Household Electric		i	x
Dishwasher	X	Water		mm	
Carpet	X	Sewer		mm	
Drapes	X	Parking			
Swimming Pool		Other:			
Tennis Court		Other:			
Other:	Community Room, Playground				

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart		**Utility Company Estimates**	
HUD Utility Schedule Model		**Energy Consumption Model**	x

COMMERCIAL SPACE
(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: Clinton LIHTC Urban Renewal, LLC — HMFA# 03518
Prepared by: Chalyn Toon — 04/03/25
Dev. Name: Apartments at Clinton — Reviewed by:
(Director of Asset Management - Expenses Only) — Date

RENTAL INCOME

Apartment Rents			$ 1,579,656	
Vacancy Loss	(5.00 %)	-	78,983	
NET APT. RENTS			1,500,673	
Commercial Income		per Sq. Ft.	$	
Garage & Parking		per Sq. Ft.		
Commercial Vacancy	%			
NET COMMERCIAL RENTALS				
TOTAL RENTAL INCOME			$ 1,500,673	

OTHER INCOME

Laundry Machines	$	
Other: Telecommunications		
TOTAL OTHER INCOME	$	
TOTAL REVENUE		$ **1,500,673**

EXPENSES				
Administrative (Schedule I)		$ 52,531		
Salaries (Schedule II)		148,500		
Maint. & Repairs (Schedule III)		21,710		
Maint. Contracts (Schedule IV)		50,840		
Utilities (Schedule V)		96,600		
Management Fee	60.00 per unit	60,480	* Should be between $55 & $70 per unit per month	
P.I.L.O.T. on Commercial Income(	%)			
Real Estate Taxes (Schedule VI)		46,054		
Insurance	$550 per Unit	46,200	**2-Story & below - $500; 3-Story & above - $550**	
Reserve for Repair and Replacement	440.00 per unit	36,960		
TOTAL EXPENSES				$ **559,875**
NET OPERATING INCOME				$ **940,799**
DEBT SERVICE				
LOCKED RATE				
1. Principal and Interest		$ 600,106	640,475	
2. Mortg & Bond Serv Fee	0.40 %	40,369		
UNLOCKED RATE				
1. Principal and Interest		$ 165,424	174,144	
2. Mortg & Bond Serv Fee	0.40 %	8,720		
3. MIP	%			
4. Debt Service on Other Mortgage Loans	$	$		
AGENCY DEBT SERVICE		$ 814,619	814,619	
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$		
TOTAL DEBT SERVICE				$ 814,619
NET INCOME				$ **126,180**
Less Return on Equity	(% on $	)	- $	
Project Profit/(Loss)				$ **126,180**

DEBT SERVICE RATIO CALCULATION :

DSR = NET OPERATING INCOME / AGENCY DEBT SERVICE = **1.15**

New Mortgage Amount

12,272,246

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT:	Apartments at Clinton
HMFA #:	03518
LOAN OFFICER:	Chalyn Toon
DATE:	4/3/25

Annual % of Rent Increase:	3.00%	
Annual Expense Increase:	4%	
Vacancy:	5.00	$78,983
Commercial Rent Increase:		
Commercial Vacancy:	0.00 %	

Permanent Mortgage (1st Note)		10,092,246
Interest Rate:		5.20
Term:		40
Annual Payment:		600,106
Servicing Fee:	0.400	40,369
MIP:	0.000	0

UNLOCKED Mortgage(Amortizin		2,180,000
Interest Rate:	7.15	0.01
Term in Years:	40	480
Annual Payment:		$165,424.39
Servicing Fee:	0.40%	$8,720
		$174,144

FRM-CDBG	0
Interest Rate Annually:	
First Years Balance:	0

DEVELOPMENT:	Apartments at Clinton
HMFA #:	03518
LOAN OFFICER:	Chalyn Toon
DATE:	4/3/25

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
1 Homeless	1	780	536	20% AMI	58	478	478	5,736
1 Section 811	4	993	1,515	Section 811	58	1,457	5,828	69,936
1	3	1,596	1,273	47.5% AMI	58	1,215	3,645	43,740
1	8	0	1,541	57.5% AMI	58	1,483	11,864	142,368
0	0	0	0	0	0	0	0	0
2 Homeless	2	0	643	20% AMI	73	570	1,140	13,680
2	1	0	965	30% AMI	73	892	892	10,704
2	7	0	1,528	47.5% AMI	73	1,455	10,185	122,220
2	13	0	1,528	47.5% AMI	73	1,455	18,915	226,980
2	18	0	1,850	57.5% AMI	73	1,777	31,986	383,832
2	5	0	1,850	57.5% AMI	73	1,777	8,885	106,620
2	1	0	1,850	57.5% AMI	73	1,777	1,777	21,324
0	0	0	0	0	0	0	0	0
3 Homeless	2	0	743	20% AMI	97	646	1,292	15,504
3	1	0	1,114	30% AMI	97	1,017	1,017	12,204
3	8	0	1,765	47.5% AMI	97	1,668	13,344	160,128
3	10	0	2,136	57.5% AMI	97	2,039	20,390	244,680
0	0	0	0	0	0	0	0	0
0	0		0	0	0	0	0	0
0	0		0	0	0	0	0	0
Total	84							1,579,656

PILOT Calculation	Year 1		
Rental Income			
Gross Rental Income	1,579,656		
Less: Vacancy	-78,983		
Net Rental Income	1,500,673		
Less: Owner-pd Utilities	-96,600		
Basis for PILOT Calc.	1,404,073		
PILOT Rate	3.28		
PILOT Payment Estimate	$46,054		
Commercial:		Square Ft.	
Gross Commercial Income	0	2,143	
Less: Vacancy	(0.00)		Commercial
Net Commercial Income	0		$/sq. ft.
PILOT Rate	0.00%		$0
PILOT Payment Estimate	0		

PROJECTIONS	%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
RENTAL INCOME																						
Apartment Rents		1,579,656	1,627,046	1,675,857	1,726,133	1,777,917	1,831,254	1,886,192	1,942,778	2,001,061	2,061,093	2,122,926	2,186,613	2,252,212	2,319,778	2,389,371	2,461,053	2,534,884	2,610,931	2,689,259	2,769,936	2,853,034
Less Vacancy Loss	5 %	-78,983	-81,352	-83,793	-86,307	-88,896	-91,563	-94,310	-97,139	-100,053	-103,055	-106,146	-109,331	-112,611	-115,989	-119,469	-123,053	-126,744	-130,547	-134,463	-138,497	-142,652
NET APT. RENTS		1,500,673	1,545,693	1,592,064	1,639,826	1,689,021	1,739,692	1,791,882	1,845,639	1,901,008	1,958,038	2,016,779	2,077,283	2,139,601	2,203,789	2,269,903	2,338,000	2,408,140	2,480,384	2,554,796	2,631,440	2,710,383
Commercial Income	$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:		**1,500,673**	**1,545,693**	**1,592,064**	**1,639,826**	**1,689,021**	**1,739,692**	**1,791,882**	**1,845,639**	**1,901,008**	**1,958,038**	**2,016,779**	**2,077,283**	**2,139,601**	**2,203,789**	**2,269,903**	**2,338,000**	**2,408,140**	**2,480,384**	**2,554,796**	**2,631,440**	**2,710,383**
OTHER INCOME																						
Laundry Machines	$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other: Telecommunications	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE		1,500,673	1,545,693	1,592,064	1,639,826	1,689,021	1,739,692	1,791,882	1,845,639	1,901,008	1,958,038	2,016,779	2,077,283	2,139,601	2,203,789	2,269,903	2,338,000	2,408,140	2,480,384	2,554,796	2,631,440	2,710,383
OPERATING EXPENSES	Yearly Per Unit Cost																					
Administrative	$625	52,531	54,632	56,818	59,090	61,454	63,912	66,468	69,127	71,892	74,768	77,759	80,869	84,104	87,468	90,967	94,605	98,390	102,325	106,418	110,675	115,102
Salaries and Benefits	$1,768	148,500	154,440	160,618	167,042	173,724	180,673	187,900	195,416	203,233	211,362	219,816	228,609	237,753	247,263	257,154	267,440	278,138	289,263	300,834	312,867	325,382
Miantenance & Repairs	$258	21,710	22,578	23,482	24,421	25,398	26,414	27,470	28,569	29,712	30,900	32,136	33,422	34,758	36,149	37,595	39,098	40,662	42,289	43,980	45,740	47,569
Maintenance Contracts	$605	50,840	52,874	54,989	57,188	59,476	61,855	64,329	66,902	69,578	72,361	75,256	78,266	81,396	84,652	88,038	91,560	95,222	99,031	102,993	107,112	111,397
Utilities	$1,150	96,600	100,464	104,483	108,662	113,008	117,529	122,230	127,119	132,204	137,492	142,992	148,711	154,660	160,846	167,280	173,971	180,930	188,167	195,694	203,522	211,662
Management Fee 60.00	$60,480	60,480	62,294	64,163	66,088	68,071	70,113	72,216	74,383	76,614	78,913	81,280	83,718	86,230	88,817	91,481	94,226	97,053	99,964	102,963	106,052	109,234
PILOT on Housing 3.28	$548	46,054	47,404	48,793	50,222	51,693	53,207	54,765	56,367	58,017	59,714	61,460	63,257	65,106	67,009	68,966	70,980	73,052	75,185	77,379	79,636	81,958
Insurance	$550	46,200	48,048	49,970	51,969	54,047	56,209	58,458	60,796	63,228	65,757	68,387	71,123	73,968	76,926	80,003	83,204	86,532	89,993	93,593	97,336	101,230
Replacement Reserves	$440	$36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960
PILOT on Comm.	$0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		559,875	579,694	600,274	621,642	643,831	666,871	690,796	715,639	741,437	768,227	796,046	824,935	854,935	886,090	918,445	952,045	986,939	1,023,178	1,060,813	1,099,900	1,140,494
Total Per Unit Cost		6,665	6,901	7,146	7,401	7,665	7,939	8,224	8,520	8,827	9,146	9,477	9,821	10,178	10,549	10,934	11,334	11,749	12,181	12,629	13,094	13,577
Expense/Income Ratio		0.37	0.38	0.38	0.38	0.38	0.38	0.39	0.39	0.39	0.39	0.39	0.40	0.40	0.40	0.40	0.41	0.41	0.41	0.42	0.42	0.42
INCOME AVAIL. FOR DEBT		940,799	965,999	991,791	1,018,184	1,045,190	1,072,821	1,101,087	1,130,000	1,159,571	1,189,812	1,220,733	1,252,348	1,284,666	1,317,699	1,351,458	1,385,955	1,421,201	1,457,206	1,493,982	1,531,540	1,569,889
Debt Service-1st Mortgage		814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619
Debt Service-2nd Note																						
Total Debt Service		814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619
Debt Service Ratio		1.15	1.19	1.22	1.25	1.28	1.32	1.35	1.39	1.42	1.46	1.50	1.54	1.58	1.62	1.66	1.70	1.74	1.79	1.83	1.88	1.93
DSR from Operations and Reserve		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service		126,179	151,380	177,171	203,565	230,571	258,201	286,467	315,380	344,952	375,192	406,114	437,728	470,046	503,080	536,839	571,336	606,582	642,587	679,363	716,921	755,270
MFP 25	%							71,617	78,845	86,238	93,798	101,529	109,432	117,512	125,770	134,210	142,834	151,645	160,647	169,841	179,230	188,817
SNHTF 25	%							71,617	78,845	86,238	93,798	101,529	109,432	117,512	125,770	134,210	142,834	151,645	160,647	169,841	179,230	188,817
Remaining Cash Flow		126,179	151,380	177,171	203,565	230,571	258,201	143,234	157,690	172,476	187,596	203,057	218,864	235,023	251,540	268,420	285,668	303,291	321,294	339,682	358,460	377,635
											330,498					918,950						
OPERATING RESERVE:																						
Beginning Reserve Balance			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
2,938,625	3,026,784	3,117,588	3,211,115	3,307,449	3,406,672	3,508,873	3,614,139	3,722,563
-146,931	-151,339	-155,879	-160,556	-165,372	-170,334	-175,444	-180,707	-186,128
2,791,694	2,875,445	2,961,708	3,050,560	3,142,076	3,236,339	3,333,429	3,433,432	3,536,435
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,791,694	**2,875,445**	**2,961,708**	**3,050,560**	**3,142,076**	**3,236,339**	**3,333,429**	**3,433,432**	**3,536,435**
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,791,694	2,875,445	2,961,708	3,050,560	3,142,076	3,236,339	3,333,429	3,433,432	3,536,435
119,706	124,494	129,474	134,653	140,039	145,641	151,466	157,525	163,826
338,397	351,933	366,010	380,651	395,877	411,712	428,180	445,307	463,120
49,472	51,451	53,509	55,649	57,875	60,190	62,598	65,102	67,706
115,853	120,487	125,306	130,318	135,531	140,952	146,590	152,454	158,552
220,129	228,934	238,092	247,615	257,520	267,821	278,533	289,675	301,262
112,511	115,886	119,363	122,943	126,632	130,431	134,344	138,374	142,525
84,347	86,806	89,335	91,937	94,613	97,367	100,201	103,115	106,114
105,279	109,490	113,870	118,425	123,162	128,088	133,212	138,540	144,082
36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960	36,960
0	0	0	0	0	0	0	0	0
1,182,654	1,226,441	1,271,918	1,319,151	1,368,209	1,419,162	1,472,084	1,527,052	1,584,146
14,079	14,600	15,142	15,704	16,288	16,895	17,525	18,179	18,859
0.42	0.43	0.43	0.43	0.44	0.44	0.44	0.44	0.45
1,609,041	1,649,004	1,689,791	1,731,409	1,773,868	1,817,177	1,861,345	1,906,380	1,952,289
814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619
814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619	814,619
1.98	2.02	2.07	2.13	2.18	2.23	2.28	2.34	2.40
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
794,421	834,385	875,171	916,789	959,249	1,002,558	1,046,726	1,091,760	1,137,670
198,605	208,596	218,793	229,197	239,812	250,639	261,681	272,940	284,417
198,605	208,596	218,793	229,197	239,812	250,639	261,681	272,940	284,417
397,211	417,193	437,586	458,395	479,624	501,279	523,363	545,880	568,835
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Apartments at Clinton **August 6, 2020**
Clinton Township, Hunterdon County
HMFA #03318
Developer: PIRHL Developers, LLC
# of Units: 84, including 5 set-aside for homeless individuals and 3 set-aside for individuals coming out of nursing homes
Population: Family

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a conditional mortgage commitment from the Agency Revenue Bond Financing Program upon the terms and conditions set forth below pursuant to the Multifamily Programs and Lending Guidelines.

Issues, Comments and Related Actions:

New Issues

Agency staff recommends approval of the below-listed project for a conditional mortgage loan commitment from the Agency Revenue Bond Financing Program. The project is applying for 9% Low Income Housing Tax Credits in the September 2020 round, and has satisfied the eligibility criteria listed in the Multifamily Programs and Lending Guidelines. If awarded a 9% tax credit allocation, the project shall undergo continued Agency staff underwriting review, and shall be presented to the Agency Board for recommendation of a re-commitment upon staff approval of the loan underwriting.

Project Name: Apartments at Clinton

Project HMFA: #03348

Project Address: 1355 Route 31 South

Project City & County: Clinton Township, Hunterdon

Developer's Name: PIRHL Developers, LLC

Total # of Units: 84, including 5 units set-aside for homeless individuals and 3 units set-aside for Individuals coming out of nursing homes

Population: Family

Type of Financing: 9% Tax Credits Traditional, Permanent Financing, MFPHPP

Exhibit A

Loan Amount Seeking for all Administered HMFA loans: HMFA 1st Mortgage, NOTE I $7,070,272, MFPHPP $225,000

Collateral:	First mortgage lien on Project real estate and security interest in personal property included in the Project.
Repayment:	First mortgage loan will be repaid from Project Revenues.
Source of loan funds:	Taxable bonds, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.
Underwriting parameters:	The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) debt service ratio, 2) term of mortgage, 3) interest rate, 4) income and expense projections, and 5) sources and uses of project development funds. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage amount the Project can sustain, the Executive Director is authorized to adjust the mortgage amount stated above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or final risk assessment dictates a revised debt service coverage ratio, the mortgage loan amount shall be adjusted commensurately to an amount that would keep the debt service ratio at the Agency determined appropriate ratio

Condition:

1. If the Project is not awarded 9% tax credits in the September 2020 round, this commitment shall be null and void

Apartments at Clinton **February 24, 2022**
Clinton Twp., Hunterdon County
HMFA #03518
Developer: PIRHL Developers, LLC
# of Units: 84 (includes 4 units set-aside for Individuals coming out of nursing homes and 5 units for Homeless)
Population: Family

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

1. Approval of a mortgage recommitment for an estimated $10,348,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as Apartments at Clinton, HMFA #03518 (the "Project"), upon the terms and conditions set forth below.

2. Approval of a subsidy mortgage loan recommitment for an estimated $300,000 in permanent financing from the Money Follows the Person Housing Partnership Program ("MFPHPP") for the Project, pursuant to the MFPHPP Program Guidelines.

Issues, Comments and Related Actions:

This Project was awarded 9% Low Income Housing Tax Credits ("LIHTC") in the September 2020 round. The Sponsor anticipates construction to begin in March 2022 with an anticipated completion in June 2023. For projects awarded 9% credits through the calendar year 2020, in the event the per unit cost exceeds the per unit cap due to COVID-19, owners/developers must provide cost backup for specific construction categories affected by COVID-19, including but not limited to: materials, equipment purchasing, appliances, union/labor requirements, specific PPE needs, etc.

New Issues

The Project had requested two extensions to allow additional time to pursue options to reduce COVID-19 related construction costs and seek additional soft funding to bring the deal back into viability. The bids received by the general contractor were higher than what the Project's budget could support. Thus, the Project was approved for Hardship Tax Credits to address the funding gap, and the municipality has approved to reduce the PILOT rate.

Exhibit A

Prior Board Approval

On August 6, 2020, the Agency Board approved a conditional commitment for permanent only financing.

The Applicant/Developer

PIRHL Developers, LLC, located in Hamilton, NJ and Cleveland, Ohio, is the applicant for the Project's financing and will also act as the developer for the Project.

PIRHL is a full-service developer, general contractor and owner of single-family and multi-family housing. To date, the company has developed 60 properties and over 6,287 units, serving clients in the following regions: Midwest, Mid-Atlantic and Southeast. Projects that PIRHL Developers, LLC has completed are: Library Court, in Shaker Heights, Ohio; Church Square Commons, in Cleveland, Ohio; Greenway Senior Housing, in Ashtabula, Ohio and Maple Garden Apartments, in Uniontown, Pennsylvania. Projects that PIRHL Developers, LLC has completed with the Agency are Wemrock Senior Living, HMFA #03268 and Apartments at Montgomery. Apartments at Warren, HMFA #3405 and Princeton Senior Living, HMFA #3525 are under construction.

The Sponsor/Borrower

The applicant for the Project's financing has formed a limited liability company known as Clinton LIHTC Urban Renewal LLC, such entity also to be known as the "Sponsor" and/or "Borrower." PIRHL Clinton MM LLC will be the managing member of and will hold 0.0049% ownership interest in Clinton LIHTC Urban Renewal LLC and Prevention Affordable LLC will be the administrative member of and will hold a 0.0051% ownership interest in Clinton LIHTC Urban Renewal LLC. BF Garden 481 Affordable Housing Fund II, a Limited Partnership will be the Investor Member and will hold 99.99% ownership interest in Clinton LIHTC Urban Renewal LLC and BCCC, Inc., an affiliate of Boston Financial Investment Management, will be the Special Member and hold a nominal ownership interest in Clinton LIHTC Urban Renewal LLC.

General Contractor

PIRHL Contractors, LLC is the General Contractor for the Project. PIRHL Contractors, LLC is located in Hamilton, NJ and Cleveland, Ohio. The General Contractor has experience with the Agency as the general contractor of Wemrock Senior Living and Apartments at Montgomery, and Apartments at Warren. They have experience building single-family and multi-family housing in the following regions: Midwest, Mid-Atlantic and Southeast. Those projects include Danville Family Homes located in Danville, Virginia; George Street Commons located in York, Pennsylvania; Water Tower Place Apartments located in Elkhart, Indiana and New Community Place located in Cleveland, Ohio.

Exhibit A

Acquisition

PIRHL Developers, LLC entered into a Resolution with the Township of Clinton dated May 6, 2018, selecting PIRHL Developers, LLC as the developer for the site. As per the Resolution, the Township of Clinton will donate the site to the administrative member of the Sponsor for one dollar, which will then be contributed to Clinton LIHTC Urban Renewal LLC.

Per the appraisal report dated May 15, 2021, the "as is" land value of the property is $1,850,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed Project, $1.00 is recognized for acquisition costs.

The Project

The Project will consist of the new construction of a garden-style 7 story building located at 1355 Route 31 South, Hunterdon County on Block 82 and Lot 4.03. The Project will be a family facility with 84 units. The development will offer 16 one-bedroom, 47 two-bedroom and 21 three-bedroom units. The units will range in size between 780 and 1611 square feet. Unit amenities will include open floor plans, modern kitchens with Energy-Star appliances. The development will include management services and an onsite community room for the residents for uses such as resident support spaces, social gatherings, and resident activities. There will be 143 total parking spaces for the residents. Additionally, a social services room will be provided on the ground floor of the development to accommodate health and wellness needs.

The Project is located in the southern portion of the township in an area of mostly residential uses and wooded land, with some neighborhood commercial uses located along Route 31. The Project is within close proximity to major highways, public transportation, health services, local shopping and recreational facilities.

Moderate Income Management Co., Inc. will be the Property Manager of the Project.

For tax credit purposes, the Sponsor will select the 40% at 60% set aside.

Utilities

Heat, hot water, air conditioning, cooking and household electric will be serviced by electricity, individually metered, and paid by the tenant. Water and sewer will be master metered and paid by the Project.

Market Analysis

The Project will likely draw its potential residents from Hunterdon County and the nearby market area. The capture rate, defined as the estimated percentage of the total potential market for a type of property that is currently absorbed by existing facilities or is forecast to be absorbed by proposed facilities, is 10.56%. The projected absorption for the Project is 7 months post completion. The capitalization rate, the ratio between the net operating income and the current value of the property, is 6.25%, as per the appraisal report dated May 15, 2021.

Operations

Four Section 811 Project-Based Rental Assistance vouchers have been committed for the 4 MFP Units.

Agency Financing

The Agency will provide a permanent only loan from the Agency Revenue Bond Financing Program in the estimated amount of $10,347,926, at an estimated annual interest rate of 4.50%, with an estimated term of 35 years. The loan will be secured by a first mortgage lien on the property.

The Agency will also provide subordinate permanent loan financing from the Money Follows the Person Housing Partnership Program for the project in the estimated amount of $300,000, at an estimated annual interest rate of 0%, with an estimated term of 35 years. The loan will be secured by a subordinate mortgage lien on the property. The loan will be repaid from 25% of the Project's cash flow, after repayment of developer fee.

Escrow Requirements

Working Capital	The Multifamily Program and Lending Guidelines require(s) that a debt service and operating expense reserve be established in the estimated amount of $516,939 to be held by the Agency.
Insurance	The Multifamily Program and Lending Guidelines require(s) that a half-year insurance reserve be established in the amount of $23,100 to be held by the Agency.
Taxes	The Multifamily Program and Lending Guidelines require(s) that a quarter-year tax reserve be established in the amount of $9,674 to be held by the Agency.

Debt Service Payment and Servicing Fee for One Month	The Multifamily Program and Lending Guidelines require(s) that a debt service payment and servicing fee reserve of one month be established in the amount of $52,422 to be held by the Agency.
Operating Reserve	The LIHTC syndicator has required that an operating reserve be established in the amount of $298,481, funded and held by Boston Financial Investment Management.

Other Funding Sources

LIHTC/Hardship Credits	The Sponsor was awarded 9% federal LIHTC and anticipates the sale of the tax credits at 0.955 cents on the dollar. In exchange for the tax credits, the investor, Boston Financial Investment Management, is expected to generate equity for the Project in the amount of $13,209,000. In addition, $955,098 of hardship credit equity at 0.955 cents on the dollar purchased from the investor for a total estimated equity of $14,164,098.
Construction Financing	The Sponsor has received a construction commitment from Citizens Bank in the amount of $18,750,000 at a rate of the Bloomberg Short Term Bank Yield Index plus 225 basis points for 30 months.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of $738,750 during construction of which $0 is anticipated to be paid at permanent take-out, leaving $738,750 in the deal. **The deferred portion of the developer fee shall be achieved from cash flow after payment of debt service, operating expenses and funding of all required escrows and reserves. Return on Equity will be achieved after the collection of the deferred developer fee.**
FHLB	The Sponsor has received a commitment in the amount of $650,000 from the Federal Home Loan Bank ("FHLB"). These funds will come into the project through a subordinated mortgage loan.

Exhibit A

Terms and Conditions

Borrower:	Clinton LIHTC Urban Renewal, LLC, such entity to be called below the "Sponsor." This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.
Use of loan funds:	Take-out permanent financing for new construction of a multifamily rental housing project known as Apartments at Clinton, HMFA #03518 (the "Project"). Money Follows the Person permanent financing for new construction of a project known as Apartments at Clinton, HMFA #03518 (the "Project").
Principal:	First mortgage loan; Note I at $10,347,926 provided, however, that the Executive Director is authorized to adjust this amount pursuant to the Underwriting Parameters set forth below. Subordinate Money Follows the Person mortgage loan in the amount of $300,000.
Permanent Interest:	First mortgage loan, Note I at 4.50% annum, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below. Subordinate Money Follows the Person mortgage loan at 0% interest.
Annual Servicing Fee:	Loan is underwritten using an annual servicing fee of 40 Basis points if Borrower pays two points to reduce the servicing fee and the 2% tax credit allocation fee.
Permanent Term:	First mortgage loan at 35 years from the date of loan closing. Subordinate Money Follows the Person mortgage loan at 35 years.
Collateral:	First mortgage lien on Project real estate and security interest in personal property included in the Project.

Subordinate MFP mortgage lien on Project real estate and security interest in personal property included in the Project.

Repayment: First mortgage loan will be repaid from Project Revenues.

Subordinate Money Follows the Person mortgage loan will be repaid from 25% of the Project's cash flow.

Source of loan funds: Taxable bonds, MFP, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.

Underwriting parameters: The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) the debt service coverage ratio, 2) term of the loan, 3) the interest rate, 4) the income and expense projections, and 5) the sources and uses of project development funds. Using a minimum required debt service coverage ratio of 1.15, a term of 35 years, an interest rate of 4.50% per annum, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $10,347,926. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage loan amount that the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 through 5 above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or if the Agency's risk assessment dictates a revised minimum debt service coverage ratio, then the mortgage loan amount may be adjusted to an amount that would maintain the Agency-determined appropriate debt service coverage ratio

The working capital amount is derived through a projection of the 1) completion date of the project, 2) the number of units to be occupied at the time the Agency closes its permanent loan, 3) the actual rents, other income, debt service and operating expenses at time of loan closing, 4) the projected amount of time to rent up the remaining units to reach sustaining occupancy and 5) market conditions as reflected in the appraisal/market study. If the actual factors at the time the Agency makes its loan are different from what is projected in this commitment, Agency staff is hereby authorized to adjust the working capital to reflect the actual factors.

Affordability Controls: For affordability controls, the Sponsor has selected 40% at 60% set-aside, meaning 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the AMI.

For purposes of calculating return on equity, 50% of units are projected to be occupied by low-income households (earning less than 50% of AMI), 50% of units are projected to be moderate income households (earning 50% to 80% of AMI) and 0% of units are projected to be market households (earning over 80 % of AMI); however the number of units and percentages listed above can carry so long as it would not change the ability of the loan to be underwritten as approved and so long as the Executive Director approves same.

Commitment Fee and Expiration Date: The amount previously paid is $50,000 therefore no further fee is required at this time. This commitment will expire on March 31, 2024; however, the Executive Director is hereby authorized to extend the recommitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

Mortgage Loan Commitment conditions:

1. Satisfactory compliance with the Agency’s Multifamily Underwriting Guidelines and Financing Policy dated December 10, 2020, as may be amended.

2. Satisfactory compliance with Agency’s Money Follows the Person Housing Partnership Program Underwriting Guidelines and Financing Policy dated September 24, 2015, as may be amended.

3. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

4. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

5. The receipt of all necessary environmental and municipal approvals satisfactory to the Agency staff and the Attorney General’s Office including, but not limited to, zoning variances, site plan and a tax abatement agreement pursuant to N.J.S.A.

55:14K-37 or the Long Term Tax Exemption Law, if applicable. In the event a tax abatement is obtained under the Long Term Tax Exemption Law, the Agency reserves the right to request a tax abatement under N.J.S.A. 55:14K-37 as a further condition of commitment, and reserves the right to require the Sponsor to relinquish its status as an urban renewal entity.

6. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.

7. Except as modified herein, all other conditions in the previous Board Action dated August 6, 2020 must be satisfied in a form and substance satisfactory to Agency staff. In the event of a conflict between any prior Agency Action(s), and this recommitment, the terms of this recommitment will control. A $2,500 recommitment fee will be charged. This fee is due prior to the Board issuance of a recommitment.

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Multifamily Underwriting Guidelines and Financing Policy dated December 10, 2020, as may be amended.

2. Satisfactory compliance with Agency's Money Follows the Person Housing Partnership Program Underwriting Guidelines and Financing Policy dated September 24, 2015, as may be amended.

3. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.

4. The Sponsor agrees that the Project must comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

5. Mortgage loan closing shall not occur until construction is completed in accordance with the plans and specifications approved by Agency staff. Construction shall be deemed completed at the sole discretion of Agency staff. Prior to permanent mortgage loan closing, the Sponsor must submit an audit of the development costs of the completed project, which the Agency must review and approve in its sole discretion.

6. The Agency must receive from the Sponsor insurance covering the Project in full compliance with all applicable Agency Insurance Specifications and Minimum Requirements (“Agency Insurance Requirements”). The applicable Agency Insurance Requirements are found on the Agency’s Website (www.njhousing.gov) under the Quicklinks Tab and accessing Insurance Resources. By submitting the Financing Application for the Project, the Sponsor acknowledges that they have reviewed the applicable Agency Insurance Requirements and will fully comply with same to the sole satisfaction of the Agency.

7. Submission, verification and compliance with the Agency's requirement for construction completion guarantees *(100% Payment and Performance Bond for Agency construction loans or Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans)*, including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.

8. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.

9. Receipt by Agency staff of an original insurance policy covering the Project and naming the Agency as: a) first mortgagee, b) lender’s loss payable and c) additional insured, along with receipt demonstrating that the policy is paid in full. Note that an insurance certificate is not sufficient to meet this requirement. If a full insurance policy is temporarily unavailable, closing may occur on an insurance certificate if a letter is submitted from the insurance provider (not the broker) confirming that the insurance agent has the authority to bind the provider insuring the Project pursuant to the certificate of insurance.

Exhibit A

Project Report

Legislative District:	23
Congressional District:	7
Census Tract:	110.02

Development Team:

Developer/Applicant:	PIRHL Developers, LLC David Burg David Uram 800 West St. Clair Avenue, 4th Floor Cleveland, Ohio 44113 216-378-9690
Sponsor/Borrower Entity:	Clinton LIHTC Urban Renewal, LLC 800 West St. Clair Avenue, 4th Floor Cleveland, Ohio 44113 216-378-9690
Principals:	David Burg David Uram 800 West St. Clair Avenue, 4th Floor Cleveland, Ohio 44113 216-378-9690
Contact:	Lara Schwager 5 Commerce Way, Suite 204 Hamilton, NJ 08691 609-751-9664
Architect:	WRT Jacquelin Camp 2800 Market Street, Suite 2800 Philadelphia, Pa 19103 215-732-5215
Attorney:	Greenberg Traurig, LLP Joshua Cohen 1717 Arch Street, Suite 400 Philadelphia, PA 19103 215-988-7815
General Contractor:	Paul Soha PIRHL Contractors, LLC 800 West St. Clair Avenue, 4th Floor Cleveland, Ohio 44113

	216-378-9690
Managing Agent:	Moderate Income Management Co, Inc. Jonathan Gershen 29 Emmons Drive Princeton, NJ 08540 609-310-4050
Clearances and Disclosures:	All required disclosures from federal, State and/or municipality will be submitted prior to project funding.
Site Control:	The Borrower has entered into a Resolution with the Township of Clinton.
Zoning:	The property is properly zoned for the proposed use.
Utilities:	All utilities are available to the site.
Land Valuation:	Has been determined in accordance with Agency standards set forth in the Agency's underwriting guidelines.
Taxes:	Tax abatement has been granted in accordance with N.J.S.A. 55:14K-37.
Environmental:	Has been completed in accordance with Agency underwriting standards set forth in the Agency underwriting guidelines.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$1	($0/DU)	($0/SF)
Construction Costs (Including Contractor Fee)	$18,842,949	($224,321/DU)	($199/SF)
Contingencies	$992,147	($11,811/DU)	($10/SF)
Developer Fee	$1,477,500	($17,589/DU)	($16/SF)
Professional Fees	$1,856,900	($22,106/DU)	($20/SF)
Carrying Financing Costs	$1,685,374	($20,064/DU)	($18/SF)
Other Charges	$1,345,903	($16,023/DU)	($14/SF)

TOTAL DEVELOPMENT COST	$26,200,774	($311,914/DU)	($276/SF)

<u>PROPOSED PERMANENT SOURCES</u>

HMFA First Mortgage Loan, Note I	$10,347,926	($123,190/DU)
FHLB	$650,000	($7,738/DU)
LIHTC Equity ($0.955)	$13,209,000	($157,250/DU)
Boston Financial Investment Management		
Hardship Equity Credits ($0.955)	$955,098	($11,370/DU)
Boston Financial Investment Management		
MFP	$300,000	($3,571/DU)
Deferred Developer Fee	$738,761	($8,795/DU)
TOTAL PROPOSED PERMANENT SOURCES	$26,200,774	($311,914/DU)

<u>BREAKOUT OF DEVELOPMENT COSTS</u>:

Acquisition	$1
Percentage of Total Development Costs	0%

Construction Cost + Hard Cost Contingency + Utility Connection Fees	$19,988,271
Percentage of Total Development Costs	76%

**Remaining Soft Cost	$6,212,502
Percentage of Total Development Costs	24%
Percentage of Construction Costs	31%

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost	$6,212,502
Less	
Negative Arbitrage	$206,959
Deferred Developer Fee	$738,761
Escrows	$900,615
Other: (i.e.: tax credit fees, interest, points)	$970,820
TOTAL	$2,817,144
Net Soft Costs	$3,395,358
Percentage of Total Development Costs	13%
Percentage of Construction Costs	17%

BREAKOUT OF PER UNIT COST ($275,000 for one to four stories building or $300,000 five or six stories or $325,000 for over six stories building)

Exhibit A

Total Development Cost	$26,200,774	($311,914/DU)	
Less			
Reserves	$900,615	($10,722/DU)	
Req Deferred Developer Fee	$738,761	($8,795/DU)	
NET TOTAL DEVELOPMENT COSTS	$24,521,410	($291,398/DU)	($259/SF)

The mortgage loan was sized based on the Sponsor's affordability election and the following assumptions

Affordability Overview
Rental Housing Summary

# Units	Unit Type	Net Monthly Rent	Utility Allowance	Range of Affordability
1	One Bedroom	$404	$58	20% AMI- Homeless
4	One Bedroom	$1397	$58	20% AMI- Section 811
3	One Bedroom	$1039	$58	47.5% AMI
8	One Bedroom	$1270	$58	57.5% AMI
2	Two Bedroom	$481	$58	20% AMI- Homeless
1	Two Bedroom	$758	$73	30% AMI
20	Two Bedroom	$1244	$73	47.5% AMI
24	Two Bedroom	$1521	$73	57.5% AMI
2	Three Bedroom	$543	$97	20% AMI- Homeless
1	Three Bedroom	$864	$97	30% AMI
8	Three Bedroom	$1423	$97	47.5% AMI
10	Three Bedroom	$1841	$97	57.5% AMI

84 Units

Attachments:

Form-10
Prior Board Approval Dated August 6, 2020

Apartments at Clinton **April 7, 2022**
Clinton Twp., Hunterdon County
HMFA #03518
Developer: PIRHL Developers, LLC
# of Units: 84 (includes 4 units set-aside for Individuals coming out of nursing homes and 5 units for Homeless)
Population: Family

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a subsidy mortgage loan commitment for an estimated $300,000 in permanent only financing from the Special Needs Housing Trust Fund ("SNHTF") for a project known as Apartments at Clinton, HMFA #03518 (the "Project"), upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

This Project received approval of a mortgage recommitment at the February 24, 2022 Board for permanent only tax-exempt bonds and approval of subsidy mortgage recommitment for Money Follows the Person permanent financing.

Construction is anticipated to commence in April 2022 and to complete in July 2023.

New Issues

The Project has requested to participate in the Agency's Rate Lock Program and due to the rise in interest rates, the Project experienced a funding gap which has been remedied by applying for SNHTF.

Prior Board Approval

On August 6, 2020, the Agency Board approved a conditional commitment for permanent only financing.

On February 24, 2022, the Agency Board approved a recommitment for permanent only financing.

The Applicant/Developer

PIRHL Developers, LLC, located in Hamilton, NJ and Cleveland, Ohio, is the applicant for the Project's financing and will also act as the developer for the Project.

PIRHL is a full-service developer, general contractor and owner of single-family and multi-family housing. To date, the company has developed 60 properties and over 6,287 units, serving clients in the following regions: Midwest, Mid-Atlantic and Southeast. Projects that PIRHL Developers, LLC has completed are: Library Court, in Shaker Heights, Ohio; Church Square Commons, in Cleveland, Ohio; Greenway Senior Housing, in Ashtabula, Ohio and Maple Garden Apartments, in Uniontown, Pennsylvania. Projects that PIRHL Developers, LLC has completed with the Agency are Wemrock Senior Living, HMFA #03268 and Apartments at Montgomery. Apartments at Warren, HMFA #3405 and Princeton Senior Living, HMFA #3525 are under construction.

The Sponsor/Borrower

The applicant for the Project's financing has formed a limited liability company known as Clinton LIHTC Urban Renewal LLC, such entity also to be known as the "Sponsor" and/or "Borrower." PIRHL Clinton MM LLC will be the managing member of and will hold 0.0049% ownership interest in Clinton LIHTC Urban Renewal LLC and Prevention Affordable LLC will be the administrative member of and will hold a 0.0051% ownership interest in Clinton LIHTC Urban Renewal LLC. BF Garden 481 Affordable Housing Fund II, a Limited Partnership will be the Investor Member and will hold 99.99% ownership interest in Clinton LIHTC Urban Renewal LLC and BCCC, Inc., an affiliate of Boston Financial Investment Management, will be the Special Member and hold a nominal ownership interest in Clinton LIHTC Urban Renewal LLC.

General Contractor

PIRHL Contractors, LLC is the General Contractor for the Project. PIRHL Contractors, LLC is located in Hamilton, NJ and Cleveland, Ohio. The General Contractor has experience with the Agency as the general contractor of Wemrock Senior Living and Apartments at Montgomery, and Apartments at Warren. They have experience building single-family and multi-family housing in the following regions: Midwest, Mid-Atlantic and Southeast. Those projects include Danville Family Homes located in Danville, Virginia; George Street Commons located in York, Pennsylvania; Water Tower Place Apartments located in Elkhart, Indiana and New Community Place located in Cleveland, Ohio.

Acquisition

PIRHL Developers, LLC entered into a Resolution with the Township of Clinton dated May 6, 2018, selecting PIRHL Developers, LLC as the developer for the site. As per the Resolution, the Township of Clinton will donate the site to the administrative member of the Sponsor for one dollar, which will then be contributed to Clinton LIHTC Urban Renewal LLC.

Per the appraisal report dated May 15, 2021, the "as is" land value of the property is $1,850,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed Project, $1.00 is recognized for acquisition costs.

The Project

The Project will consist of the new construction of a garden-style 7 story building located at 1355 Route 31 South, Hunterdon County on Block 82 and Lot 4.03. The Project will be a family facility with 84 units. The development will offer 16 one-bedroom, 47 two-bedroom and 21 three-bedroom units. The units will range in size between 780 and 1611 square feet. Unit amenities will include open floor plans, modern kitchens with Energy-Star appliances. The development will include management services and an onsite community room for the residents for uses such as resident support spaces, social gatherings, and resident activities. There will be 143 total parking spaces for the residents. Additionally, a social services room will be provided on the ground floor of the development to accommodate health and wellness needs.

The Project is located in the southern portion of the township in an area of mostly residential uses and wooded land, with some neighborhood commercial uses located along Route 31. The Project is within close proximity to major highways, public transportation, health services, local shopping and recreational facilities.

Moderate Income Management Co., Inc. will be the Property Manager of the Project.

For tax credit purposes, the Sponsor will select the 40% at 60% set aside**.**

For Special Needs purposes, 4 units will be set aside for persons coming out of nursing homes.

Utilities

Heat, hot water, air conditioning, cooking and household electric will be serviced by electricity, individually metered, and paid by the tenant. Water and sewer will be master metered and paid by the Project.

Market Analysis

The Project will likely draw its potential residents from Hunterdon County and the nearby market area. The capture rate, defined as the estimated percentage of the total potential market for a type of property that is currently absorbed by existing facilities or is forecast to be absorbed by proposed facilities, is 10.56%. The projected absorption for the Project is 7 months post completion. The capitalization rate, the ratio between the net operating income and the current value of the property, is 6.25%, as per the appraisal report dated May 15, 2021.

Social Services Provider

Apartments at Clinton will be supervised by Moderate Income Management Company, Inc (the “Service Provider”) and staffed will be on-site for a minimum of 20 hours per week. The Service provider will work collaboratively with the Department of Aging Services (“DoAS”) to select residents appropriate for the setting.

The Service Provider will be responsible for hiring a qualified, salaried Social Service Coordinator to be the on-site liaison between residents and social services organizations. The Social Services Coordinator will advocate on behalf of the residents and have the responsibility of linking residents with available supportive services. The Service Provider will complete assessments and establish and implement goals as dictated in the person’s Individual Service Plan (ISP), to increase skill levels consistent with the parents/guardians’ wishes and in accordance with DoAS requirements. The individual's supports can include skills training, common household training, social and recreational opportunities, the enhancement of independence, and community integration.

DoAS will refer tenants to units in the development and the Service Provider will review the applicant to determine if the applicant meets eligibility requirements. Assuming that the tenant is qualified, the tenant will lease the unit and DoAS staff will oversee and monitor the initial transition plan, developed and provided by the managed care organization (“MCO”). The MCO assigns each participant a care manager.

Operations

Four Section 811 Project-Based Rental Assistance vouchers have been committed for the 4 MFP Units.

Agency Financing

The Agency will provide a permanent only loan from the Agency Revenue Bond Financing Program in the estimated amount of $10,092,246, at an estimated annual interest rate of 5.20%, with an estimated term of 40 years. The loan will be secured by a first mortgage lien on the property.

The Agency will also provide subordinate permanent loan financing from the Money Follows the Person Housing Partnership Program for the project in the estimated amount of $300,000, at an estimated annual interest rate of 0% during construction and 1% during the permanent phase, with an estimated term of 40 years. The loan will be secured by a subordinate mortgage lien on the property. The loan will be repaid from 25% of the Project’s cash flow, after repayment of developer fee.

The Agency will also provide subordinate permanent loan financing from the Special Needs Housing Trust Fund Program for the project in the estimated amount of $300,000, at an estimated annual interest rate of 0% during construction and 1% during the permanent phase, with an estimated term of 40 years. The loan will be secured by a subordinate mortgage lien on the property. The loan will be repaid from 25% of the Project's cash flow, after repayment of developer fee.

Escrow Requirements

Working Capital	The Multifamily Program and Lending Guidelines require(s) that a debt service and operating expense reserve be established in the estimated amount of $522,128 to be held by the Agency.
Insurance	The Multifamily Program and Lending Guidelines require(s) that a half-year insurance reserve be established in the amount of $23,100 to be held by the Agency.
Taxes	The Multifamily Program and Lending Guidelines require(s) that a quarter-year tax reserve be established in the amount of $9,785 to be held by the Agency.
Debt Service Payment and Servicing Fee for One Month	The Multifamily Program and Lending Guidelines require(s) that a debt service payment and servicing fee reserve of one month be established in the amount of $53,373 to be held by the Agency.
Operating Reserve	The LIHTC syndicator has required that an operating reserve be established in the amount of $298,159, funded and held by Boston Financial Investment Management.

Other Funding Sources

LIHTC/Hardship Credits	The Sponsor was awarded 9% federal LIHTC and anticipates the sale of the tax credits at 0.955 cents on the dollar. In exchange for the tax credits, the investor, Boston Financial Investment Management, is expected to generate equity for the Project in the amount of $13,209,000. In addition, $955,098 of hardship credit equity at 0.955 cents on the dollar purchased from the investor for a total estimated equity of $14,164,098.

Construction Financing	The Sponsor has received a construction commitment from Citizens Bank in the amount of $18,750,000 at a rate of the Bloomberg Short Term Bank Yield Index plus 225 basis points for 30 months.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of $738,750 during construction of which $0 is anticipated to be paid at permanent take-out, leaving $738,750 in the deal. **The deferred portion of the developer fee shall be achieved from cash flow after payment of debt service, operating expenses and funding of all required escrows and reserves. Return on Equity will be achieved after the collection of the deferred developer fee.**
FHLB	The Sponsor has received a commitment in the amount of $650,000 from the Federal Home Loan Bank ("FHLB"). These funds will come into the project through a subordinated mortgage loan. This loan will be subordinate to the Agency financing.

Terms and Conditions

Borrower:	Clinton LIHTC Urban Renewal, LLC, such entity to be called below the "Sponsor." This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.
Use of loan funds:	Take-out permanent financing for new construction of a multifamily rental housing project known as Apartments at Clinton, HMFA #03518 (the "Project"). Money Follows the Person permanent financing for new construction of a project known as Apartments at Clinton, HMFA #03518 (the "Project"). Special Needs Housing Trust Fund permanent financing for new construction of a project known as Apartments at Clinton, HMFA #03518 (the "Project").
Principal:	First mortgage loan; Note I at $10,092,246 provided, however, that the Executive Director is authorized to adjust this amount pursuant to the Underwriting Parameters set forth below.

	Subordinate Money Follows the Person mortgage loan in the amount of $300,000.
	Subordinate Special Needs Housing Trust Fund mortgage loan in the amount of $300,000.
Permanent Interest:	First mortgage loan, Note I at 5.20% annum, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.
	Subordinate Money Follows the Person mortgage loan at 0% interest.
	Subordinate Special Needs Housing Trust Fund mortgage loan at 1% interest.
Annual Servicing Fee:	Loan is underwritten using an annual servicing fee of 40 Basis points if Borrower pays two points to reduce the servicing fee and the 2% tax credit allocation fee.
Permanent Term:	First mortgage loan at 40 years from the date of loan closing.
	Subordinate Money Follows the Person mortgage loan at 40 years.
	Subordinate Special Needs Housing Trust Fund mortgage loan at 40 years.
Collateral:	First mortgage lien on Project real estate and security interest in personal property included in the Project.
	Subordinate MFP mortgage lien on Project real estate and security interest in personal property included in the Project.
	Subordinate SNHTF mortgage lien on Project real estate and security interest in personal property included in the Project.
Repayment:	First mortgage loan will be repaid from Project Revenues.
	Subordinate Money Follows the Person mortgage loan will be repaid from 25% of the Project's cash flow.

Subordinate Special Needs Housing Trust Fund mortgage loan will be repaid from 25% of the Project's cash flow.

Source of loan funds: Taxable bonds, MFP, SNHTF, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.

Underwriting parameters: The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) the debt service coverage ratio, 2) term of the loan, 3) the interest rate, 4) the income and expense projections, and 5) the sources and uses of project development funds. Using a minimum required debt service coverage ratio of 1.15, a term of 40 years, an interest rate of 5.20% per annum, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $10,092,246. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage loan amount that the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 through 5 above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or if the Agency's risk assessment dictates a revised minimum debt service coverage ratio, then the mortgage loan amount may be adjusted to an amount that would maintain the Agency-determined appropriate debt service coverage ratio

The working capital amount is derived through a projection of the 1) completion date of the project, 2) the number of units to be occupied at the time the Agency closes its permanent loan, 3) the actual rents, other income, debt service and operating expenses at time of loan closing, 4) the projected amount of time to rent up the remaining units to reach sustaining occupancy and 5) market conditions as reflected in the appraisal/market study. If the actual factors at the time the Agency makes its loan are different from what is projected in this commitment, Agency staff is hereby authorized to adjust the working capital to reflect the actual factors.

Affordability Controls: For affordability controls, the Sponsor has selected

40% at 60% set-aside, meaning 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the AMI.

For purposes of calculating return on equity, 50% of units are projected to be occupied by low-income households (earning less than 50% of AMI), 50% of units are projected to be moderate income households (earning 50% to 80% of AMI) and 0% of units are projected to be market households (earning over 80 % of AMI); however the number of units and percentages listed above can carry so long as it would not change the ability of the loan to be underwritten as approved and so long as the Executive Director approves same.

Commitment Fee and Expiration Date: The amount previously paid is $50,000 therefore no further fee is required at this time. This commitment will expire on March 31, 2024; however, the Executive Director is hereby authorized to extend the recommitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

Mortgage Loan Commitment conditions:

1. Satisfactory compliance with the Agency's Multifamily Underwriting Guidelines and Financing Policy dated December 10, 2020, as may be amended.

2. Satisfactory compliance with Agency's Money Follows the Person Housing Partnership Program Underwriting Guidelines and Financing Policy dated September 24, 2015, as may be amended.

3. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated February 24, 2022, as may be amended

4. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

5. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

6. The receipt of all necessary environmental and municipal approvals satisfactory to the Agency staff and the Attorney General's Office including, but not limited to, zoning variances, site plan and a tax abatement agreement pursuant to N.J.S.A. 55:14K-37 or the Long Term Tax Exemption Law, if applicable. In the event a tax abatement is obtained under the Long Term Tax Exemption Law, the Agency

reserves the right to request a tax abatement under N.J.S.A. 55:14K-37 as a further condition of commitment, and reserves the right to require the Sponsor to relinquish its status as an urban renewal entity.

7. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.

8. Except as modified herein, all other conditions in the previous Board Action dated February 24, 2024 must be satisfied in a form and substance satisfactory to Agency staff. In the event of a conflict between any prior Agency Action(s), and this recommitment, the terms of this recommitment will control. A $2,500 recommitment fee will be charged. This fee is due prior to the Board issuance of a recommitment.

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Multifamily Underwriting Guidelines and Financing Policy dated December 10, 2020, as may be amended.

2. Satisfactory compliance with Agency's Money Follows the Person Housing Partnership Program Underwriting Guidelines and Financing Policy dated September 24, 2015, as may be amended.

3. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated February 24, 2022, as may be amended

4. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.

5. The Sponsor agrees that the Project must comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

6. Mortgage loan closing shall not occur until construction is completed in accordance with the plans and specifications approved by Agency staff. Construction shall be deemed completed at the sole discretion of Agency staff. Prior to permanent mortgage loan closing, the Sponsor must submit an audit of the development costs of the completed project, which the Agency must review and approve in its sole discretion.

7. The Agency must receive from the Sponsor insurance covering the Project in full compliance with all applicable Agency Insurance Specifications and Minimum Requirements ("Agency Insurance Requirements"). The applicable Agency Insurance Requirements are found on the Agency's Website (www.njhousing.gov) under the Quicklinks Tab and accessing Insurance Resources. By submitting the Financing Application for the Project, the Sponsor acknowledges that they have reviewed the applicable Agency Insurance Requirements and will fully comply with same to the sole satisfaction of the Agency.

8. Submission, verification and compliance with the Agency's requirement for construction completion guarantees *(100% Payment and Performance Bond for Agency construction loans or Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans)*, including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.

9. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.

10. Receipt by Agency staff of an original insurance policy covering the Project and naming the Agency as: a) first mortgagee, b) lender's loss payable and c) additional insured, along with receipt demonstrating that the policy is paid in full. Note that an insurance certificate is not sufficient to meet this requirement. If a full insurance policy is temporarily unavailable, closing may occur on an insurance certificate if a letter is submitted from the insurance provider (not the broker) confirming that the insurance agent has the authority to bind the provider insuring the Project pursuant to the certificate of insurance.

Exhibit A

Project Report

Legislative District:	23
Congressional District:	7
Census Tract:	110.02

Development Team:

Developer/Applicant:	PIRHL Developers, LLC David Burg David Uram 800 West St. Clair Avenue, 4th Floor Cleveland, Ohio 44113 216-378-9690
Sponsor/Borrower Entity:	Clinton LIHTC Urban Renewal, LLC 800 West St. Clair Avenue, 4th Floor Cleveland, Ohio 44113 216-378-9690
Principals:	David Burg David Uram 800 West St. Clair Avenue, 4th Floor Cleveland, Ohio 44113 216-378-9690
Contact:	Lara Schwager 5 Commerce Way, Suite 204 Hamilton, NJ 08691 609-751-9664
Architect:	WRT Jacquelin Camp 2800 Market Street, Suite 2800 Philadelphia, Pa 19103 215-732-5215
Attorney:	Greenberg Traurig, LLP Joshua Cohen 1717 Arch Street, Suite 400 Philadelphia, PA 19103 215-988-7815

General Contractor:	Paul Soha PIRHL Contractors, LLC 800 West St. Clair Avenue, 4th Floor Cleveland, Ohio 44113 216-378-9690
Managing Agent:	Moderate Income Management Co, Inc. Jonathan Gershen 29 Emmons Drive Princeton, NJ 08540 609-310-4050
Social Services Provider:	Moderate Income Management Co, Inc. Jonathan Gershen 29 Emmons Drive Princeton, NJ 08540 609-310-4050
Clearances and Disclosures:	All required disclosures from federal, State and/or municipality will be submitted prior to project funding.
Site Control:	The Borrower has entered into a Resolution with the Township of Clinton.
Zoning:	The property is properly zoned for the proposed use.
Utilities:	All utilities are available to the site.
Land Valuation:	Has been determined in accordance with Agency standards set forth in the Agency's underwriting guidelines.
Taxes:	Tax abatement has been granted in accordance with N.J.S.A. 55:14K-37.
Environmental:	Has been completed in accordance with Agency underwriting standards set forth in the Agency underwriting guidelines.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Exhibit A

Acquisition	$1	($0/DU)	($0/SF)
Construction Costs (Including Contractor Fee)	$18,842,949	($224,321/DU)	($199/SF)
Contingencies	$990,876	($11,796/DU)	($10/SF)
Developer Fee	$1,477,500	($17,589/DU)	($16/SF)
Professional Fees	$1,856,900	($22,106/DU)	($20/SF)
Carrying Financing Costs	$1,730,152	($20,597/DU)	($18/SF)
Other Charges	$1,346,720	($16,032/DU)	($14/SF)
TOTAL DEVELOPMENT COST	$26,245,094	($312,442/DU)	($277/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage Loan, Note I	$10,092,246	($120,146/DU)
FHLB	$650,000	($7,738/DU)
LIHTC Equity ($0.955) Boston Financial Investment Management	$13,209,000	($157,250/DU)
Hardship Equity Credits ($0.955) Boston Financial Investment Management	$955,098	($11,370/DU)
MFP	$300,000	($3,571/DU)
SNHTF	$300,000	($3,571/DU)
Deferred Developer Fee	$738,750	($8,795/DU)
TOTAL PROPOSED PERMANENT SOURCES	$26,245,094	($312,442/DU)

BREAKOUT OF DEVELOPMENT COSTS:

Acquisition	$1
Percentage of Total Development Costs	0%

Construction Cost + Hard Cost Contingency + Utility Connection Fees	$19,988,271
Percentage of Total Development Costs	76%

**Remaining Soft Cost	$6,256,821
Percentage of Total Development Costs	24%
Percentage of Construction Costs	31%

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost $6,256,821

Less			
Negative Arbitrage	$49,791		
Deferred Developer Fee	$738,750		
Escrows	$906,545		
Other: (i.e.: tax credit fees, interest, points)	$970,820		
TOTAL	$2,665,906		
Net Soft Costs	$3,590,916		
Percentage of Total Development Costs	14%		
Percentage of Construction Costs	18%		

BREAKOUT OF PER UNIT COST ($275,000 for one to four stories building or $300,000 five or six stories or $325,000 for over six stories building)

Total Development Cost	$26,245,094	($312,442/DU)	
Less			
Reserves	$906,545	($10,792/DU)	
Req Deferred Developer Fee	$738,750	($8,795/DU)	
NET TOTAL DEVELOPMENT COSTS	$24,599,799	($292,855/DU)	($259/SF)

The mortgage loan was sized based on the Sponsor's affordability election and the following assumptions

Affordability Overview
Rental Housing Summary

# Units	Unit Type	Net Monthly Rent	Utility Allowance	Range of Affordability
1	One Bedroom	$404	$58	20% AMI- Homeless
4	One Bedroom	$1397	$58	20% AMI- Section 811
3	One Bedroom	$1039	$58	47.5% AMI
8	One Bedroom	$1270	$58	57.5% AMI
2	Two Bedroom	$481	$58	20% AMI- Homeless
1	Two Bedroom	$758	$73	30% AMI
20	Two Bedroom	$1244	$73	47.5% AMI
24	Two Bedroom	$1521	$73	57.5% AMI
2	Three Bedroom	$543	$97	20% AMI- Homeless
1	Three Bedroom	$864	$97	30% AMI
8	Three Bedroom	$1423	$97	47.5% AMI
10	Three Bedroom	$1841	$97	57.5% AMI

84 Units

Exhibit A

Attachments:

Form-10
Prior Board Approval Dated August 6, 2020
Prior Board Approval Dated February 24, 2022

Apartments at Clinton **February 8, 2024**
Clinton Twp., Hunterdon County
HMFA #03518
Developer: PIRHL Developers, LLC
# of Units: 84 (includes 4 units set-aside for Individuals coming out of nursing homes and 5 units for Homeless)
Population: Family

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

1. Approval of a mortgage commitment for an estimated $12,273,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as Apartments at Clinton, HMFA #03518 (the "Project"), upon the terms and conditions set forth below.

2. Approval of a subsidy mortgage loan recommitment for an estimated $300,000 in permanent financing from the Money Follows the Person Housing Partnership Program ("MFPHPP") for the Project, pursuant to the MFPHPP Program Guidelines.

3. Approval of a subsidy mortgage loan recommitment for an estimated $300,000 in permanent financing from the Special Needs Housing Trust Fund Program ("SNHTF") for the Project, pursuant to the SNHTF Program Guidelines.

Issues, Comments and Related Actions:

This Project was awarded 9% Low Income Housing Tax Credits ("LIHTC") in the September 2020 round. The Sponsor construction began in March 2022 and completed construction on October 31, 2023. For projects awarded 9% credits through the calendar year 2020, in the event the per unit cost exceeds the per unit cap due to COVID-19, owners/developers must provide cost backup for specific construction categories affected by COVID-19, including but not limited to: materials, equipment purchasing, appliances, union/labor requirements, specific PPE needs, etc.

New Issues

The Project had requested two extensions to allow additional time to pursue options to reduce COVID-19 related construction costs and seek additional soft funding to bring the deal back into viability. The bids received by the general contractor were higher than what the Project's budget could support. Thus, the Project was approved for Hardship

Tax Credits to address the funding gap, and the municipality passed a resolution to reduce the PILOT rate.

Although the Project had done extensive geophysical testing and mapped out the underlaying rock formations known as karst prior to construction, the conditions were much more widespread than anticipated. There was also additional rock removal required in the offsite trenching for the water utility tie-in. Simultaneously, the Project experienced cost escalations in five separate construction divisions. These factors all contributed to the increase in construction costs. The Project has added a Sponsor's Loan to offset the increase in construction costs, and due to the increase in the 2023 income limits the Project can support additional debt.

Prior Board Approval

On August 6, 2020, the Agency Board approved a conditional commitment for permanent only financing.

On February 24, 2022, the Agency Board approved a recommitment for permanent only financing.

On April 7, 2022, the Agency Board approved a commitment for permanent only financing of Special Needs Housing Trust Fund.

The Applicant/Developer

PIRHL Developers, LLC, located in Hamilton, NJ and Cleveland, Ohio, is the applicant for the Project's financing and will also act as the developer for the Project.

PIRHL is a full-service developer, general contractor and owner of single-family and multi-family housing. To date, the company has developed 60 properties and over 6,287 units, serving clients in the following regions: Midwest, Mid-Atlantic and Southeast. Projects that PIRHL Developers, LLC has completed are: Library Court, in Shaker Heights, Ohio; Church Square Commons, in Cleveland, Ohio; Greenway Senior Housing, in Ashtabula, Ohio and Maple Garden Apartments, in Uniontown, Pennsylvania. Projects that PIRHL Developers, LLC has completed with the Agency are Wemrock Senior Living, HMFA #03268, Apartments at Montgomery HMFA #03346 and Apartments at Warren, HMFA #3405. Princeton Senior Living, HMFA #3525 are under construction.

The Sponsor/Borrower

The applicant for the Project's financing has formed a limited liability company known as Clinton LIHTC Urban Renewal LLC, such entity also to be known as the "Sponsor" and/or "Borrower." PIRHL Clinton MM LLC will be the managing member of and will hold 0.0049% ownership interest in Clinton LIHTC Urban Renewal LLC and Prevention Affordable LLC will be the administrative member of and will hold a 0.0051% ownership interest in Clinton LIHTC Urban Renewal LLC. BF Clinton Woods, LLC, a

Limited Company will be the Investor Member and will hold 99.99% ownership interest in Clinton LIHTC Urban Renewal LLC and BCCC, Inc., an affiliate of Boston Financial Investment Management, will be the Special Member and hold a nominal ownership interest in Clinton LIHTC Urban Renewal LLC.

General Contractor

PIRHL Contractors, LLC is the General Contractor for the Project. PIRHL Contractors, LLC is located in Hamilton, NJ and Cleveland, Ohio. The General Contractor has experience with the Agency as the general contractor of Wemrock Senior Living and Apartments at Montgomery, and Apartments at Warren. They have experience building single-family and multi-family housing in the following regions: Midwest, Mid-Atlantic and Southeast. Those projects include Danville Family Homes located in Danville, Virginia; George Street Commons located in York, Pennsylvania; Water Tower Place Apartments located in Elkhart, Indiana and New Community Place located in Cleveland, Ohio.

Acquisition

PIRHL Developers, LLC entered into a Resolution with the Township of Clinton dated May 9, 2018, selecting PIRHL Developers, LLC as the developer for the site. As per the Resolution, the Township of Clinton will donate the site to the administrative member of the Sponsor for one dollar, which will then be contributed to Clinton LIHTC Urban Renewal LLC. On June 13, 2018, the Township of Clinton entered into an Affordable Housing Agreement with Clinton LIHTC Urban Renewal LLC.

Per the appraisal report dated October 27, 2023, the “as is” land value of the property is $2,100,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm’s length transaction. For the proposed Project, $1.00 is recognized for acquisition costs.

The Project

The Project will consist of the new construction of a garden-style 7 story building located at 1355 Route 31 South, Hunterdon County on Block 82 and Lot 4.03. The Project will be a family facility with 84 units. The development will offer 16 one-bedroom, 47 two-bedroom and 21 three-bedroom units. The net rents for the one-bedrooms range from $478 to $1483, two- bedrooms range from $570 to $1777 and the three-bedrooms range from $646 to $2039. The units will range in size between 780 and 1611 square feet. Unit amenities will include open floor plans, modern kitchens with Energy-Star appliances. The development will include management services and an onsite community room for the residents for uses such as resident support spaces, social gatherings, and resident activities. There will be 143 total parking spaces for the residents. Additionally, a social services room will be provided on the ground floor of the development to accommodate health and wellness needs.

The Project is located in the southern portion of the township in an area of mostly residential uses and wooded land, with some neighborhood commercial uses located along Route 31. The Project is within close proximity to major highways, public transportation, health services, local shopping and recreational facilities.

Conifer Management, LLC will be the Property Manager of the Project.

For tax credit purposes, the Sponsor will select the 40% at 60% set aside.

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Heat, hot water, air conditioning, cooking and household electric will be serviced by electricity, individually metered, and paid by the tenant. Water and sewer will be master metered and paid by the Project.

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The Agency will provide a permanent only loan from the Agency Revenue Bond Financing Program in the estimated amount of $2,180,000, at an estimated annual interest rate of 7.15%, with an estimated term of 40 years. The loan will be secured by a first mortgage lien on the property.

The Agency will also provide subordinate permanent loan financing from the Money Follows the Person Housing Partnership Program for the project in the estimated amount of $300,000, at an estimated annual interest rate of 1%, with an estimated term of 40 years. The loan will be secured by a subordinate mortgage lien on the property. The loan will be repaid from 25% of the Project's cash flow, after repayment of developer fee.

The Agency will also provide subordinate permanent loan financing from the Special Needs Housing Trust Fund Program for the project in the estimated amount of $300,000 at an estimated annual interest rate of 1%, with an estimated term of 40 years. The loan will be secured by a subordinate mortgage lien on the property. The loan will be repaid from 25% of the Project's cash flow, after repayment of developer fee.

Escrow Requirements

Working Capital	The Multifamily Program and Lending Guidelines require(s) that a debt service and operating expense reserve be established in the estimated amount of $601,341 to be held by the Agency.
Insurance	The Multifamily Program and Lending Guidelines require(s) that a half-year insurance reserve be established in the amount of $23,100 to be held by the Agency.

Taxes	The Multifamily Program and Lending Guidelines require(s) that a quarter-year tax reserve be established in the amount of $11,513 to be held by the Agency.
Debt Service Payment and Servicing Fee for One Month	The Multifamily Program and Lending Guidelines require(s) that a debt service payment and servicing fee reserve of one month be established in the amount of $67,885 to be held by the Agency.
Operating Reserve	The LIHTC syndicator has required that an social services operating reserve be established in the amount of $300,000, funded and held by Boston Financial Investment Management.

Other Funding Sources

LIHTC/Hardship Credits	The Sponsor was awarded 9% federal LIHTC and anticipates the sale of the tax credits at 0.955 cents on the dollar. In exchange for the tax credits, the investor, Boston Financial Investment Management, is expected to generate equity for the Project in the amount of $13,209,000. In addition, $955,098 of hardship credit equity at 0.955 cents on the dollar purchased from the investor for a total estimated equity of $14,164,098.
Construction Financing	The Sponsor has received a construction commitment from Citizens Bank in the amount of $20,010,039 at a rate of the Bloomberg Short Term Bank Yield Index plus 225 basis points for 30 months.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of $1,319,272 during construction of which $738,750 is anticipated to be paid at permanent take-out, leaving $580,522 in the deal. **The deferred portion of the developer fee shall be achieved from cash flow after payment of debt service, operating expenses and funding of all required escrows and reserves. Return on Equity will be achieved after the collection of the deferred developer fee.**
FHLB	The Sponsor has received a commitment in the amount of $650,000 from the Federal Home Loan Bank (“FHLB”). These funds will come into the project through a

subordinated mortgage loan.

Sponsor Loan	The Sponsor has received a commitment in the amount of $1,138,326 from Clinton LIHTC Urban Renewal, LLC at a rate of 0% and repayment shall be made in accordance with repayment of Development Advances and Subordinated Loans, as applicable, pursuant to the Operating Agreement. These funds will come into the project through a subordinate mortgage loan.

Terms and Conditions

Borrower:	Clinton LIHTC Urban Renewal, LLC, such entity to be called below the "Sponsor." This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.
Use of loan funds:	Take-out permanent financing for new construction of a multifamily rental housing project known as Apartments at Clinton, HMFA #03518 (the "Project"). Money Follows the Person permanent financing for new construction of a project known as Apartments at Clinton, HMFA #03518 (the "Project"). Special Needs Housing Trust Fund permanent financing for new construction of a project known as Apartments at Clinton, HMFA #03518 (the "Project").
Principal:	First mortgage loan; Note I at $12,272,246 provided, however, that the Executive Director is authorized to adjust this amount pursuant to the Underwriting Parameters set forth below. Subordinate Money Follows the Person mortgage loan in the amount of $300,000. Subordinate Special Needs Housing Trust Fund mortgage loan in the amount of $300,000.
Permanent Interest:	First mortgage loan, Note I at 5.20% annum, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

First mortgage loan, Note I at 7.15% annum, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

Subordinate Money Follows the Person mortgage loan at 0% interest.

Subordinate Special Needs Housing Trust fund mortgage loan at 1% interest.

Annual Servicing Fee:	Loan is underwritten using an annual servicing fee of 40 Basis points if Borrower pays two points to reduce the servicing fee and the 2% tax credit allocation fee.
Permanent Term:	First mortgage loan at 40 years from the date of loan closing. Subordinate Money Follows the Person mortgage loan at 40 years. Subordinate Special Needs Housing Trust Fund mortgage loan at 40 years.
Collateral:	First mortgage lien on Project real estate and security interest in personal property included in the Project. Subordinate MFP mortgage lien on Project real estate and security interest in personal property included in the Project. Subordinate SNHTF mortgage lien on Project real estate and security interest in personal property included in the Project.
Repayment:	First mortgage loan will be repaid from Project Revenues. Subordinate Money Follows the Person mortgage loan will be repaid from 25% of the Project's cash flow. Subordinate Special Needs Housing Trust Fund mortgage loan will be repaid from 25% of the Project's cash flow.

Source of loan funds: Taxable bonds, MFP, SNHTF, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.

Underwriting parameters: The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) the debt service coverage ratio, 2) term of the loan, 3) the interest rate, 4) the income and expense projections, and 5) the sources and uses of project development funds. Using a minimum required debt service coverage ratio of 1.15, a term of 40 years, an interest rate of 5.20% per annum, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $10,092,246. Using a minimum required debt service coverage ratio of 1.15, a term of 40 years, an interest rate of 7.15% per annum, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $2,180,000. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage loan amount that the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 through 5 above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or if the Agency's risk assessment dictates a revised minimum debt service coverage ratio, then the mortgage loan amount may be adjusted to an amount that would maintain the Agency-determined appropriate debt service coverage ratio

The working capital amount is derived through a projection of the 1) completion date of the project, 2) the number of units to be occupied at the time the Agency closes its permanent loan, 3) the actual rents, other income, debt service and operating expenses at time of loan closing, 4) the projected amount of time to rent up the remaining units to reach sustaining occupancy and 5) market conditions as reflected in the appraisal/market study. If the actual factors at the time the Agency makes its loan are different from what is projected in this commitment, Agency staff is hereby authorized to adjust the working capital to reflect the actual factors.

Affordability Controls: For affordability controls, the Sponsor has selected 40% at 60% set-aside, meaning 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the AMI.

For purposes of calculating return on equity, 50% of units are projected to be occupied by low-income households (earning less than 50% of AMI), 50% of units are projected to be moderate income households (earning 50% to 80% of AMI) and 0% of units are projected to be market households (earning over 80 % of AMI); however the number of units and percentages listed above can carry so long as it would not change the ability of the loan to be underwritten as approved and so long as the Executive Director approves same.

Commitment Fee and Expiration Date: The amount previously paid is $50,000 therefore no further fee is required at this time. This commitment will expire on July 1, 2024; however, the Executive Director is hereby authorized to extend the recommitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

<u>Mortgage Loan Commitment conditions:</u>

1. Satisfactory compliance with the Agency's Multifamily Underwriting Guidelines and Financing Policy dated November 3, 2022, as may be amended.

2. Satisfactory compliance with Agency's Money Follows the Person Housing Partnership Program Underwriting Guidelines and Financing Policy dated July 27, 2023, as may be amended.

3. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated June 30, 2022, as may be amended.

4. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

5. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

6. The receipt of all necessary environmental and municipal approvals satisfactory to the Agency staff and the Attorney General's Office including, but not limited to, zoning variances, site plan and a tax abatement agreement pursuant to <u>N.J.S.A.</u>

55:14K-37 or the Long Term Tax Exemption Law, if applicable. In the event a tax abatement is obtained under the Long Term Tax Exemption Law, the Agency reserves the right to request a tax abatement under N.J.S.A. 55:14K-37 as a further condition of commitment, and reserves the right to require the Sponsor to relinquish its status as an urban renewal entity.

7. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.

8. Except as modified herein, all other conditions in the previous Board Action dated April 7, 2022 must be satisfied in a form and substance satisfactory to Agency staff. In the event of a conflict between any prior Agency Action(s), and this recommitment, the terms of this recommitment will control. A $2,500 recommitment fee will be charged. This fee is due prior to the Board issuance of a recommitment.

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Multifamily Underwriting Guidelines and Financing Policy dated November 3, 2022, as may be amended.

2. Satisfactory compliance with Agency's Money Follows the Person Housing Partnership Program Underwriting Guidelines and Financing Policy dated July 27, 2023, as may be amended.

3. Satisfactory compliance with the Agency's Special Needs Housing Trust Fund Guidelines and Financing Policy dated June 30, 2022, as may be amended

4. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.

5. The Sponsor agrees that the Project must comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

6. Mortgage loan closing shall not occur until construction is completed in accordance with the plans and specifications approved by Agency staff. Construction shall be deemed completed at the sole discretion of Agency staff. Prior to permanent mortgage loan closing, the Sponsor must submit an audit of

the development costs of the completed project, which the Agency must review and approve in its sole discretion.

7. The Agency must receive from the Sponsor insurance covering the Project in full compliance with all applicable Agency Insurance Specifications and Minimum Requirements ("Agency Insurance Requirements"). The applicable Agency Insurance Requirements are found on the Agency's Website (www.njhousing.gov) under the Quicklinks Tab and accessing Insurance Resources. By submitting the Financing Application for the Project, the Sponsor acknowledges that they have reviewed the applicable Agency Insurance Requirements and will fully comply with same to the sole satisfaction of the Agency.

8. Submission, verification and compliance with the Agency's requirement for construction completion guarantees *(100% Payment and Performance Bond for Agency construction loans or Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans)*, including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.

9. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.

10. Receipt by Agency staff of an original insurance policy covering the Project and naming the Agency as: a) first mortgagee, b) lender's loss payable and c) additional insured, along with receipt demonstrating that the policy is paid in full. Note that an insurance certificate is not sufficient to meet this requirement. If a full insurance policy is temporarily unavailable, closing may occur on an insurance certificate if a letter is submitted from the insurance provider (not the broker) confirming that the insurance agent has the authority to bind the provider insuring the Project pursuant to the certificate of insurance.

11. Final approval shall be contingent upon the completion of all Punch List items as accepted by the Manager of Construction Services.

Exhibit A

Project Report

Legislative District:	23
Congressional District:	7
Census Tract:	110.02

Development Team:

Developer/Applicant:	PIRHL Developers, LLC David Burg David Uram 15500 Pearl Road PO Box 360619 Strongville, OH 44136 216-378-9690
Sponsor/Borrower Entity:	Clinton LIHTC Urban Renewal, LLC 15500 Pearl Road PO Box 360619 Strongville, OH 44136 216-378-9690
Principals:	David Burg David Uram 15500 Pearl Road PO Box 360619 Strongville, OH 44136 216-378-9690
Contact:	David Uram 15500 Pearl Road PO Box 360619 Strongville, OH 44136 216-378-9690
Architect:	WRT Jacquelin Camp 2800 Market Street, Suite 2800 Philadelphia, Pa 19103 215-732-5215
Attorney:	Greenberg Traurig, LLP

Joshua Cohen
1717 Arch Street, Suite 400
Philadelphia, PA 19103
215-988-7815

General Contractor:	Paul Soha PIRHL Contractors, LLC 15500 Pearl Road PO Box 360619 Strongville, OH 44136 216-378-9690
Managing Agent:	Conifer Management, LLC Jeff Baker 1000 University Avenue, Suite 500 Rochester, NY 14607 585.568.5874
Clearances and Disclosures:	All required disclosures from federal, State and/or municipality will be submitted prior to project funding.
Site Control:	The Borrower has entered into a Resolution with the Township of Clinton.
Zoning:	The property is properly zoned for the proposed use.
Utilities:	All utilities are available to the site.
Land Valuation:	Has been determined in accordance with Agency standards set forth in the Agency's underwriting guidelines.
Taxes:	Tax abatement has been granted in accordance with N.J.S.A. 55:14K-37.
Environmental:	Has been completed in accordance with Agency underwriting standards set forth in the Agency underwriting guidelines.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$1	($0/DU)	($0/SF)
Construction Costs (Including Contractor Fee)	$21,396,624	($254,772/DU)	($226/SF)
Contingencies	$0	($0/DU)	($0/SF)
Developer Fee	$1,477,500	($17,589/DU)	($16/SF)
Professional Fees	$2,217,382	($26,397/DU)	($23/SF)
Carrying Financing Costs	$2,834,191	($33,740/DU)	($30/SF)
Other Charges	$1,479,595	($17,614/DU)	($16/SF)
TOTAL DEVELOPMENT COST	$29,405,294	($350,063/DU)	($310/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage Loan, Note I	$10,092,246	($120,146/DU)
HMFA First Mortgage Loan, Note I	$2,180,000	(25,952/DU)
FHLB	$650,000	($7,738/DU)
LIHTC Equity ($0.955) Boston Financial Investment Management	$13,209,000	($157,250/DU)
Hardship Equity Credits ($0.955) Boston Financial Investment Management	$955,098	($11,370/DU)
MFP	$300,000	($3,571/DU)
GP Contribution	$100	($1/DU)
Sponsor Loan	$1,138,326	($13,552/DU)
Deferred Developer Fee	$580,522	($6,911/DU)
TOTAL PROPOSED PERMANENT SOURCES	$29,405,294	($350,063/DU)

BREAKOUT OF DEVELOPMENT COSTS:

Acquisition	$1

Percentage of Total Development Costs	0%		
Construction Cost + Hard Cost Contingency + Utility Connection Fees			$21,570,262
Percentage of Total Development Costs			73%
**Remaining Soft Cost	$7,835,031		
Percentage of Total Development Costs	27%		
Percentage of Construction Costs	36%		

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost	$7,835,031		
Less			
Negative Arbitrage	$245,445		
Deferred Developer Fee	$580,522		
Escrows	$1,003,839		
Other: (i.e.: tax credit fees, interest, points)	$1,691,515		
TOTAL	$3,521,322		
Net Soft Costs	$4,313,709		
Percentage of Total Development Costs	15%		
Percentage of Construction Costs	20%		

BREAKOUT OF PER UNIT COST ($302,500 for one to four stories building or $330,000 five or six stories or $357,500 for over six stories building)

Total Development Cost	$29,405,294	($350,063/DU)	
Less			
Reserves	$1,003,839	($11,950/DU)	
Req Deferred Developer Fee	$580,522	($6,911/DU)	
NET TOTAL DEVELOPMENT COSTS	$27,820,932	($331,202/DU)	($293/SF)

Exhibit A

The mortgage loan was sized based on the Sponsor's affordability election and the following assumptions

Affordability Overview
Rental Housing Summary

# Units	Unit Type	Net Monthly Rent	Utility Allowance	Range of Affordability
1	One Bedroom	$478	$58	20% AMI- Homeless
4	One Bedroom	$1457	$58	20% AMI- Section 811
3	One Bedroom	$1215	$58	47.5% AMI
8	One Bedroom	$1483	$58	57.5% AMI
2	Two Bedroom	$570	$58	20% AMI- Homeless
1	Two Bedroom	$892	$73	30% AMI
20	Two Bedroom	$1455	$73	47.5% AMI
24	Two Bedroom	$1777	$73	57.5% AMI
2	Three Bedroom	$646	$97	20% AMI- Homeless
1	Three Bedroom	$1017	$97	30% AMI
8	Three Bedroom	$1668	$97	47.5% AMI
10	Three Bedroom	$2039	$97	57.5% AMI

84 Units

Attachments:

Form-10
Prior Board Approval Dated August 6, 2020
Prior Board Approval Dated February 24, 2022
Prior Board Approval Dated April 7, 2022

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A MORTGAGE FINANCING COMMITMENT FOR THE PROJECT KNOWN AS EDGEWATER PARK SENIOR APARTMENTS, HMFA #07958

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

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Laura Shea
Assistant Secretary

Edgewater Park Senior Apartments **May 1, 2025**
Edgewater Borough, Burlington County
HMFA #07958
Developer: Walters-Cornerstone Development LLC
# of Units: 58 units including 5 units set-aside for homeless individuals and 3 units set-aside for individuals coming out of nursing homes
Population: Senior Citizens 55+

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

1. Approval of a mortgage loan commitment for an estimated $1,423,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as Edgewater Park Senior Apartments**,** HMFA #07958 (the "Project"), upon the terms and conditions set forth below.

2. Approval of a subsidy mortgage loan commitment for an estimated $450,000 in permanent only financing from the Money Follows the Person Housing Partnership Program ("MFPHPP") for the Project, upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

Edgewater Park Senior Apartments was awarded 9% Low Income Housing Tax Credits ("LIHTC") in the December 2024 9% Senior Cycle.

An NJHMFA preliminary approval was given to the project on August 2, 2024.

Construction is anticipated to begin in June 2025 with a completion date in December 2026.

The Applicant/Developer

Walters-Cornerstone Development LLC (the "Developer"), located in Haddonfield, New Jersey is the Applicant and Developer for the project's financing. Other Agency projects the Walters Group has completed include Stafford Park HMFA #2214; Laurel Oaks Family Apartments, HMFA #02682; Laurel Oaks Family Apartments II, HMFA #02730, Cornerstone at Barnegat, HMFA #03013; Cornerstone at Toms River, HMFA #03055; Lacey Family Apartments, HMFA #03012; Lacey Family Apartments II, HMFA #03151; Jackson Family Apartments, HMFA #03136; Seaside Family Apartments, HMFA #03182. Manahawkin, HMFA #3310: Waretown Family Apartments HMFA #3267: Howell Family Apartments, HMFA #03149. Holmdel Family Apartments HMFA

#03513: Chatham Family Apartments HMFA #07728 and Galloway Family Apartments HMFA #07882 are currently in the pipeline.

The Sponsor/Borrower

The applicant for the Project's financing has formed a limited liability company known as Edgewater Park Senior Apartments LLC, such entity also to be known as the "Sponsor" and/or "Borrower." Edgewater Park Senior MM LLC will be the managing member and own 0.01% of the Sponsor. Berkadia Affordable Tax Credit Solutions IM will be the investor member and own 99.99% of the Sponsor.

General Contractor

Walters Cornerstone Contracting LLC, an affiliate of the Developer, will serve as the general contractor for the Project. Walters Cornerstone Contracting and other Walters-related companies have completed several Agency Projects including: Laurel Oaks Family Apartments HMFA#02682, Laurel Oaks Family Apartments II HMFA#2730, Toms River Senior Apartments HMFA #3055 and Barnegat Senior Housing HMFA #3013. The experience has been positive with projects completed on time and within budget.

Acquisition

The Township of Edgewater Park and Edgewater Park Senior Apartments LLC entered into a Development Agreement dated June 18th, 2024, to acquire the property for ten dollars ($10.00).

Per the appraisal report dated March 14, 2025, the "as is" value of the property is $1,220,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed Project, $10.00 is recognized for acquisition costs.

The Project

The Project includes new construction of fifty-eight (58) units for seniors in one three story elevator building. The Project is located on Delanco Road in the Township of Edgewater Park, Burlington County Block 502, Lot 11.01 (the "Property").

The Project will consist of fifty-eight (58) one-bedroom units with an average unit size of 676 sq ft. The proposed net rents for the one-bedroom units range from $279 to $1,236 per month. Community amenities include a nurses' station, a fitness center, lounge, and community room. Unit amenities include ranges, refrigerators, air conditioning, washers and dryers, dishwashers, and carpet. The Project will have sixty-four (64) off-street parking spaces and associated site improvements.

The Project offers a residential location within nearby proximity to major highways, public transportation, local shopping and recreational facilities. A shuttle bus for the community will also be provided that will connect residents of the Project to nearby amenities such as grocery stores, shopping centers, medical offices, recreational activities, and regional transit.

RW Property Management Company, Inc. will manage the property.

For Special Needs purposes, five (5) units will be set aside for homeless individuals and three (3) units will be set aside for individuals coming out of nursing homes.

The Project was awarded 9% LIHTC. For tax credit purposes, the Sponsor will select 40% at 60% AMI option**.**

Utilities

Household electricity, heat, air conditioning and cooking will be individually metered and paid for by the tenants. The Project will pay for water, sewer, and gas utility services. Heat will be provided by way of electric and hot water will be provided by way of gas.

Market Analysis

The Project will likely draw its potential residents from Burlington County and the nearby market area. The capture rate, defined as the total potential market for a type of property that is currently absorbed by existing facilities in the primary market area, is 4.26% in the Municipality of Burlington Township. The projected absorption for the Project is approximately four (4) months post completion. The capitalization rate, the ratio between the net operating income and the current value of the property, is 5.50%, as per the appraisal report dated March 14, 2025.

Social Services Provider

RW Management Company, Inc (the "Social Services Provider") will provide case management services to the tenants of the Project as evidenced by a MOU dated July 16th, 2020 between RW Management Company, Inc and Edgewater Park Senior Apartments LLC (the "Owner"). The community has an on-going operating budget to accommodate a part time Social Services coordinator who will be at the site for a minimum of 20 hours per week to coordinate linkages and activate programming as well as participation in the SIL program. All services will be actively linked to the residents since they will be provided on site and be publicized via monthly newsletters, electronic notices, social media and physical notices in common areas. RW Management Company, Inc will engage residents on a continual basis to solicit resident participation in programming.

Exhibit A

Edgewater Park Senior LLC agrees to pay RW Management Company, Inc up to $20,000 per year in salary from its operating cash for the duration of the agreement, in addition to medical and other benefits associated therewith. Such amounts shall be revisited for increase annually by Edgewater Park Senior LLC and RW Management Company, Inc.

Operations

Three (3) Section 811 Project-Based Rental Assistance vouchers have been committed for the 3 MFP Units.

Agency Financing

The Agency will provide a permanent loan from the Agency Revenue Bond Financing Program in the estimated amount of $1,422,337 at an estimated annual interest rate of 7.25%, with an estimated term of 30 years. The loan will be secured by a first mortgage lien on the property.

The Agency will provide permanent financing in the amount of $450,000 from the MFPHPP at an estimated annual interest rate of 1% for a term of 30 years. The loan will be secured by a subordinate mortgage lien on the Property. The loan will be repaid from a pro-rata share of 25% of the Project's cash flow, after repayment of developer fee.

Escrow Requirements

Insurance	The Multifamily Program and Lending Guidelines require that a 1/2-year insurance reserve be established in the amount of $15,950 to be held by the Agency.
Taxes	The Multifamily Program and Lending Guidelines require that a one quarter-year tax reserve be established in the amount of $8,763 to be held by the Agency.
Debt Service Payment and Servicing Fee for One Month	The Multifamily Program and Lending Guidelines require that a debt service payment and servicing fee reserve of one month be established in the amount of $10,177 to be held by the Agency.
Syndicator Operating Reserve	The LIHTC syndicator has required that an operating reserve be established in the amount of $321,000, funded and held by syndicator.

Social Services Reserve	The LIHTC syndicator has required that an operating reserve be established in the amount of $428,000, funded and held by syndicator.

Other Funding Sources

LIHTC	The Sponsor is applying for 9% federal LIHTC and anticipates the sale of the tax credits at $0.93 cents on the dollar. In exchange for the tax credits, the investor, Berkadia, is expected to generate equity for the Project in the amount of $14,932,446.
Construction Financing	The Sponsor has received a construction commitment from TD Bank in the amount of $12,100,000 at a rate of SOFR plus 2.35% (currently estimated at 6.48%), for 24 months.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of $2,025,231 during construction of which $1,007,778 is anticipated to be paid at permanent take-out, leaving $1,017,453 in the deal. **The deferred portion of the developer fee shall be achieved from cash flow after payment of debt service, operating expenses and funding of all required escrows and reserves. Return on Equity will be achieved after the collection of the deferred developer fee.**

Terms and Conditions

Borrower:	Edgewater Park Senior Apartments LLC, such entity to be called below the "Sponsor." This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.
Use of loan funds:	Take-out permanent financing for new construction of a multifamily rental housing project known as Edgewater Park Senior Apartments, HMFA #07958 (the "Project"). Money Follows the Person Partnership Housing Partnership Program permanent financing for new construction of a project known as Edgewater Park Senior Apartments, HMFA #07958 (the "Project").
Principal:	First mortgage loan in the amount of $1,422,337, provided, however, that the Executive Director is authorized to adjust

	this amount pursuant to the Underwriting Parameters set forth below.
	Subordinate Money Follows the Person Partnership Housing Partnership Program mortgage loan in the amount of $450,000.
Permanent Interest:	First mortgage loan at 7.25%, per annum, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.
	Subordinate Money Follows the Person Partnership Housing Partnership Program, at 1% annum, provided however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.
Annual Servicing Fee:	Loan is underwritten using an annual servicing fee of 40 Basis points if Borrower pays two points to reduce the servicing fee and the 2% tax credit allocation fee.
Permanent Term:	First mortgage loan at 30 years from the date of loan closing.
	Subordinate Money Follows the Person Partnership Housing Partnership Program mortgage loan at 30 years.
Collateral:	First mortgage lien on Project real estate and security interest in personal property included in the Project.
	Subordinate MFPHPP mortgage lien on Project real estate and security interest in personal property included in the Project.
Repayment:	First mortgage loan will be repaid from Project Revenues.
	Subordinate MFPHPP mortgage loan will be repaid from a pro-rata share of 25% of the Project's cash flow after the repayment of the deferred developer fee.
Source of loan funds:	Taxable bonds and MFPHPP, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.
Underwriting parameters:	The mortgage loan amount that a project can sustain is

derived from a combination of the following factors: l) the debt service coverage ratio, 2) term of the loan, 3) the interest rate, 4) the income and expense projections, and 5) the sources and uses of project development funds. Using a minimum required debt service coverage ratio of 1.15, a term of 30 years, an interest rate of 7.25% per annum, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $1,422,337. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage loan amount that the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 through 5 above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or if the Agency's risk assessment dictates a revised minimum debt service coverage ratio, then the mortgage loan amount may be adjusted to an amount that would maintain the Agency-determined appropriate debt service coverage ratio.

Affordability Controls: For affordability controls, the Sponsor has selected 40% at 60% set-aside, meaning 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the AMI.

For purposes of calculating return on equity, 50% of units are projected to be occupied by low-income households (earning less than 50% of AMI), 50% of units are projected to be moderate income households (earning 50% to 80% of AMI) and 0% of units are projected to be market households (earning over 80 % of AMI); however the number of units and percentages listed above can carry so long as it would not change the ability of the loan to be underwritten as approved and so long as the Executive Director approves same.

Commitment Fee and Expiration Date: The preliminary letter fee amount previously paid is $17,561; therefore, no further fee is required at this time.

If the commitment fee is received within the above-listed timeframe, this commitment will expire on February 28, 2028 however, the Executive Director is hereby authorized to extend the recommitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

Mortgage Loan Commitment conditions:

1. Satisfactory compliance with the Agency's Multifamily Underwriting Guidelines and Financing Policy dated March 20, 2025, as may be amended.

2. Satisfactory compliance with the Agency's Money Follows the Person Housing Partnership Program Guidelines dated September 24, 2015, as may be amended.

3. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

4. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

5. The receipt of all necessary environmental and municipal approvals satisfactory to the Agency staff and the Attorney General's Office including, but not limited to, zoning variances, site plan and a tax abatement agreement pursuant to N.J.S.A. 55:14K-37 or the Long-Term Tax Exemption Law, if applicable. In the event a tax abatement is obtained under the Long-Term Tax Exemption Law, the Agency reserves the right to request a tax abatement under N.J.S.A. 55:14K-37 as a further condition of commitment, and reserves the right to require the Sponsor to relinquish its status as an urban renewal entity.

6. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.

7. The Agency will not fund any additional construction costs that exceed the approved construction budget reflected in the board approved committed Form 10. Any additional construction costs exceeding the Form 10 contingency will be borne solely by the developer.

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Multifamily Underwriting Guidelines and Financing Policy dated March 20, 2025, as may be amended.

2. Satisfactory compliance with the Agency's Money Follows the Person Housing Partnership Program Guidelines dated September 24, 2015, as may be amended.

3. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.

4. The Sponsor agrees that the Project must comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

5. Mortgage loan closing shall not occur until construction is completed in accordance with the plans and specifications approved by Agency staff. Construction shall be deemed completed at the sole discretion of Agency staff. Prior to permanent mortgage loan closing, the Sponsor must submit an audit of the development costs of the completed project, which the Agency must review and approve in its sole discretion.

6. The Agency must receive from the Sponsor insurance covering the Project in full compliance with all applicable Agency Insurance Specifications and Minimum Requirements ("Agency Insurance Requirements"). The applicable Agency Insurance Requirements are found on the Agency's Website (www.njhousing.gov) under the Quicklinks Tab and accessing Insurance Resources. By submitting the Financing Application for the Project, the Sponsor acknowledges that they have reviewed the applicable Agency Insurance Requirements and will fully comply with same to the sole satisfaction of the Agency.

7. Submission, verification and compliance with the Agency's requirement for construction completion guarantees *(100% Payment and Performance Bond for Agency construction loans or Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans)*, including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.

8. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.

9. Receipt by Agency staff of an original insurance policy covering the Project and naming the Agency as: a) first mortgagee, b) lender's loss payable and c) additional insured, along with receipt demonstrating that the policy is paid in full. Note that an insurance certificate is not sufficient to meet this requirement. If a

full insurance policy is temporarily unavailable, closing may occur on an insurance certificate if a letter is submitted from the insurance provider (not the broker) confirming that the insurance agent has the authority to bind the provider insuring the Project pursuant to the certificate of insurance.

10. Permanent mortgage loan closing may not occur until stabilization has been determined by Agency staff and upon evidence that the Project has achieved 93% occupancy and has generated sufficient revenues to achieve a permanent debt service coverage ratio of at least 1.15% for three (3) consecutive months. Submission of monthly operating expenses for three (3) months including income and expense reports in the format outlined in the Agency's Division of Property Management's Policy #02-02.

Exhibit A

Project Report

Legislative District:	7
Congressional District:	3
Census Tract:	7010.01

Development Team:

Developer/Applicant:	Walters-Cornerstone Development LLC 21 E. Euclid Avenue, Suite 200 Haddonfield, NJ 08033 856.354.2100
Sponsor/Borrower Entity:	Edgewater Park Senior Apartments LLC 21 E. Euclid Avenue, Suite 200 Haddonfield, NJ 08033 856.354.2100
Principals:	Joseph A. Del Duca Edward Walters, Jr. Kevin Dowd 21 E. Euclid Avenue, Suite 200 Haddonfield, NJ 08033 856.354.2100
Contact:	Kevin Dowd 21 E. Euclid Avenue, Suite 200 Haddonfield, NJ 08033 856.354.2100
Architect:	Donovan Architects 9 Tanner Street Haddonfield, NJ 08033 856.203.6061
Attorney:	Berman Indicator, LLP 20 University Place, 30 N 41st Street, Suite 450 Philadelphia, PA 19104 215.825.9738
General Contractor:	Walters Cornerstone Contracting LLC 500 Barnegat Boulevard N. Building 100 Barnegat, NJ 08005 609.607.9500

Exhibit A

Managing Agent:	RW Property Management Co. Inc. 500 Barnegat Boulevard N, Building 100 Barnegat, NJ 08005 609.607.9500
Social Services Provider:	RW Property Management Co. Inc. Chris Mcgraw 500 Barnegat Boulevard N, Building 100 Barnegat, NJ 08005 609.607.9500
Clearances and Disclosures:	All required disclosures from federal, State and/or municipality will be submitted prior to project funding.
Site Control:	The Borrower has entered into a Development Agreement.
Zoning:	The property is properly zoned for the proposed use.
Utilities:	All utilities are available to the site.
Land Valuation:	Has been determined in accordance with Agency standards set forth in the Agency's underwriting guidelines.
Taxes:	Tax abatement has been granted in accordance with N.J.S.A. 55:14K-37.
Environmental:	Has been completed in accordance with Agency underwriting standards set forth in the Agency underwriting guidelines.

Exhibit A

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$10	($0/DU)	($0/SF)
Construction Costs (Including Contractor Fee)	$11,064,824	($190,773/DU)	($202/SF)
Contingencies	$683,953	($11,792/DU)	($12/SF)
Developer Fee	$2,196,415	($37,869/DU)	($40/SF)
Professional Fees	$951,600	($16,407/DU)	($17/SF)
Carrying Financing Costs	$1,853,097	($31,950/DU)	($34/SF)
Other Charges	$1,072,337	($18,489/DU)	($20/SF)
TOTAL DEVELOPMENT COST	$17,822,235	($307,280/DU)	($325/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage Loan, Note I	$1,422,337	($24,523/DU)
Money Follows the Person	$450,000	($7,759/DU)
LIHTC Equity ($0.93) Berkadia	$14,932,446	($257,456/DU)
Deferred Developer Fee	$1,017,453	($17,542/DU)
TOTAL PROPOSED PERMANENT SOURCES	$17,822,235	($307,280/DU)

BREAKOUT OF DEVELOPMENT COSTS:

Acquisition	$10	
Percentage of Total Development Costs	0%	
Construction Cost + Hard Cost Contingency + Utility Connection Fees		$11,904,011
Percentage of Total Development Costs		67%
**Remaining Soft Cost	$5,918,214	
Percentage of Total Development Costs	33%	
Percentage of Construction Costs	50%	

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

Exhibit A

**Remaining Soft Cost	$5,918,214
Less	
Negative Arbitrage	$28,447
Deferred Developer Fee	$1,017,453
Escrows	$783,890
Other: (ie: tax credit fees, interest, points)	$1,145,527
TOTAL	$2,975,317
Net Soft Costs	$2,942,897
Percentage of Total Development Costs	17%
Percentage of Construction Costs	25%

BREAKOUT OF PER UNIT COST ($302,500 for one to four stories building or $330,000 five or six stories or $357,500 for over six stories building)

Total Development Cost	$17,822,235	($307,280/DU)
Less		
Reserves	$783,890	($13,515/DU)
Req Deferred Developer Fee	$1,017,453	($17,542/DU)
NET TOTAL DEVELOPMENT COSTS	$16,020,892	($276,222/DU)

The mortgage loan was sized based on the Sponsor's affordability election and the following assumptions

Affordability Overview
Rental Housing Summary

# Units	Unit Type	Net Monthly Rent	Utility Allowance	Range of Affordability
5	1- Bedroom	$279	$151	20% AMI Very Low
3	1- Bedroom	$1,236	$0	Section 811
21	1- Bedroom	$870	$151	47.5% AMI Low
29	1- Bedroom	$1,085	$151	57.5% AMI Mod

58 Total Units

Attachments:

Form- 10

Preliminary 9% approval on August 2, 2024.

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY - with or without TAX CREDITS
SCHEDULE 10-A: PROJECT DESCRIPTION- PERMANENT ONLY LOAN

		Date Action Taken		
	Inducement		If a Closing Other Than Final -	
X	Commitment	5/1/25	Indicate Type By Date	
	Re-Commitment		Special Needs:	
	Mtg. Extension		Other:	
	Bond Sale		Other:	
	Final Closing			

HMFA#: 07958
Date: 4/14/25
Prepared by: Tiani Norris
Reviewed by:

Project Name: Edgewater Park Senior

Project Street Address: Delanco Road | City: Edgewater Park | State: NJ | Zip Code: 08010

Municipality: Edgewater Boro (124)
County: Burlington (5)

List Block followed by corresponding Lot and separated by a comma
Note # Only one Block and one lot per cell — Example: 31,3.05

502,11				

Type of Development
(Select either Family or Senior Citizens (NOT BOTH))

Family	
Senior Citizens	X

Provide the following:

Legislative District:	District 7 (7)
Congressional District:	District 3 (3)
Census Tract:	7010.01
No. of dwelling units	58
No. of occupied units	
No. of Special Needs units	8
Special Needs Population	5 Homeless & 3 MFP
Construction Term	18 (mos.)
Rent-up Period	6 (mos.)

Type of Construction

New Construction	X
Modular	
Moderate Rehabilitation	
Substantial Rehab.	
Conversion	
Rehabilitation/Occupied	
Historic	

Term of Mortgage (in years): 30
Mortgage Interest Rate: 7.250%

The Project is in a:	Y or N
QCT	Y
Smart Growth	Y
Planning Area:	1
	(designate area)

Parking

Total Number of Parking Spaces:
Ratio of parking to D.U.'s: : 1

Type of Financing

Tax Exempt	
Taxable	

Tax Credits	Check One
4%	
9%	X
Historic	

Affordability - Check One

** 40% AT 60%	X
*** 20% AT 50%	
Income Averaging	

ENTER DOLLAR AMOUNT

Type of Subsidy

Special Needs Program Funds	$
FRM-CDBG	$
Amt. Of FRM-CDBG/Unit:	
Money Follows the Person	$ 450,000
Fire Supression	$
Other	$
Other	$

Type of Loan

Construction Loan	
Construction & Permanent Loan	
Permanent Loan Only	X

Cost Summary

Cost of Land and/or Improvements	$0	per DU	$0	per Sqft.
Construction Cost	$190,773	per DU	$202	per Sqft.
Total Project Cost	$307,280	per DU	$325	per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Average Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
Low- Rise	1	3	1	676	58	39,208
Basement/Crawl Space						
****Garage Parking						
Garage & Parking						
Commercial Space						
Common/Other Space	Circulation, Mechanical, Community Room, Rental Office					15,683
Totals	1				58	54,891

Total Project Cost	$17,822,235
Minus Eligible Costs:	
Reserves	$783,890
Deferred Developer Fee	$1,270,233
Non Basis Off Site Improvements	
=	$15,768,112
Cost Per DU	$271,864

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.
****Includes only parking beneath the building and/or parking structure

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

		HMFA#	07958
	Inducement	Prepared by:	Tiani Norris
X	Commitment	Reviewed by:	
	Re-Commitment		Director of Technical Services
	Mtg. Extension		Date
	Bond Sale		Managing Director of Multifamily
	Closing		Date
			Chief of Multifamily

1. SOURCES OF FUNDS DURING CONSTRUCTION:

		Enter the total Loan Amount Here	Notes/Memo		
a)	Other Lender Construction Loan (4)		TD Bank N.A.	$	12,100,000
b)	LIHTC Equity (170)	$14,932,446	Install #1 @ closing	$	2,240,000
c)	LIHTC Equity (170)		Partial Install #2 - February 2027	$	484,668
d)				$	
e)				$	
f)				$	
g)				$	
h)	**Deferred Developer's Fee**			$	2,025,231
	TOTAL SOURCES OF CONSTRUCTIONS FUNDS:			$	16,849,899

2. USES of FUNDS DURING CONSTRUCTION:

Item	Notes		Amount	% of Cons't Cost OR Cost/Unit	Subtotal
A. ACQUISITION COSTS:					
a) Land	@ ($ per Acre)	$	10		
b) Building Acquisition	Should be between $15,000 & $25,000 per units				
c) Relocation					
d) Other:					10
B. CONSTRUCTION COSTS	**Total Acquisition as a percent of Total Project Costs:**	**0.00%**			
a) Demolition		$			
b) Off-site Improvements					
c) Residential Structures (including all on-site improvement)			9,575,986		
d) Community Building					
e) Environmental Clearances					
f) Surety & Bonding	should be between .75% and 2% of Construction Costs		30,000	0.27%	
g) Building Permits			100,000		
h) Garage Parking	garage should be approx $15,000/space; parking lot around $700/space				
i) General Requirements	should be about 6% of construction costs		582,359	6.00%	
j) Contractor Overhead & Profit	-should not exceed 8% of construction costs - usually 2% for Overhead & 6% for Profit		776,479	8.00%	
k) Other					
l) Other	**Total Cons't Costs as a percent of Total Project Costs:**	**65.19%**			
					11,064,824
C. DEVELOPERS FEE - CONSTR/REI	**14.90%** HMFA Policy is that the Developer fee is earned as a percentage of construction completion.		2,196,415		
DEVELOPERS FEE - BUILDING					2,196,415
D. CONTINGENCY	**Non-Deferred Amt:** $1,178,962	**8.00%**			
	Non-Deferred Amt on Building Acq Not to Exceeed 2% :				
a) Hard Costs 5.000%	5% for New Construction & 10% for Rehabilitation		553,241		
b) Soft Costs 4.500%	should be a Maximum of 5%		130,711		683,953
E. PROFESSIONAL SERVICES					
a) Appraisal & Market Study		$	16,500		
b) Architect			368,900		
c) Site Engineer			133,020		
d) Attorney			115,000		
e) Cost Certification/Audit	- should not exceed $35,000		35,000		
f) Environmental Consultant			10,000		
g) Historical Consultant					
h) Geotechnical Consultant			21,160		
i) Green Consultant			85,220		
j) Professional Planner					
k) Surveyor			20,000		
l) Other	**Total Professional fees as a % of Total Project Costs:**	**5.34%**	146,800		951,600
F. PRE-OPERATIONAL EXPENSES *	*** Non-eligible costs in TC basis**				
a) Operator fees (pre-construction completion) *	Should not exceed $250 per unit	$			
b) Advertising and Promotion (pre-construction completion)*			25,000		
c) Staffing and Start-up Supplies (pre-construction completion)*			75,000		
d) Other: *					
e) Other: *	**Total Pre Opt Costs as a % of Total Project Costs:**	**0.56%**			100,000
G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION	(percentage of total development costs)			10.40%	
a) Interest @ 6.4800 % for (24 mos.) on $ 6,050,000			784,080		
b) R.E. Tax $ 9,000 (per annum) x 2.00 Yrs.			18,000		
c) Insurance $ 52,312 (per annum) x 2.00 Yrs.			104,624		
d) Title Insurance and Recording Expenses			85,000		
e) Utility Connection Fees			285,946		
f) Other Lender's Points			93,000		
g) Other Lender Construction Financing Fee			165,000		
h) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the time the Development is under construciton, these costs should be accounted for during the construction period.		173,000		
i) Negative Arbitrage **(if Bonds are sold during Construction)**			28,447	(ESTIMATE)	
j) Cost of Issuance **(If Bonds are sold during Construction)**				(ESTIMATE)	
k) Furniture, Fixtures & Equipment (FF&E)			116,000		
	Total Carrying/Fin. Costs as % of Total Project Costs:	**10.40%**			1,853,097

3. USES OF FUNDS DURING CONSTRUCTION:	$	**16,849,899**
4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage):	$	0

PERMANENT LOAN CLOSING

5. SOURCES OF FUNDS FOR PERMANENT FUNDING:

Item	Source	Notes/Memo	Amount
a)	HMFA 1st Mortgage, NOTE I		$ 1,422,337
b)	Money Follows The Person Program (161)		$ 450,000
c)	LIHTC Equity (170)	Partial Install #2 - Dec 2026	$ 8,475,332
d)	LIHTC Equity (170)	Install #3- Nov 2027	$ 3,430,185
e)	LIHTC Equity (170)	Install #4- Feb 2028	$ 302,261
f)			$
g)			$
h)			$
	TOTAL SOURCES FOR PERMANENT CLOSING:		$ 14,080,115

6. USES of FUNDS FOR PERMANENT CLOSING:

Item	Rate / Days		Base	Calc	Amount
A. DEVELOPER'S FEE:					$ 1,007,778
B. HMFA Points (to reduce annual servicing fee)"	2.00%	on	$ 1,422,337	28,447	28,447
C. HMFA Second Note Financing Fee "		on	$		
D. Special Needs Financing Fee "	3.00%	on	$		
E. CONSTRUCTION LOAN PAYOFF:					$ 12,100,000
F. Construction Loan Interest Due(per diem)		on	$		$
G. Negative Arbitrage **(ESTIMATE)**			(List Daily Amount)		
H. Cost of Issuance **(ESTIMATE)**					
I. Reimbursement of any Indemification Fee not dedicated to other costs					
J. TAX CREDIT FEES					160,000
K. R.E. Taxes due & Payable at Closing					
L. Title Insurance	# of days		(List Daily Amount)		
M. HMFA Loan per diem interest on NOTE I (if applicable)		on	$		
N. Outstanding Payments to Professional & Sub-contractors					
O. Payment and Performance Bond, 30% Warranty Bond, or 10% Letter of Credit					
P. Other Fees:					

Q. ESCROW REQUIREMENTS: **Total Costs@ PermClosing as%of Total Project Costs: 6.71%**

Item	Amount
1) Working Capital Escrow	
a) Debt Service & Operating Expenses	
b) Rental Agent Rent-up Fee (during Rent-up)	
c) Advertising and Promotion (during Rent-up)	
2) Other Escrows	
a) Insurance (1/2 YR.)	$ 15,950
b) Taxes (1 Qtr.)	$ 8,763
c) Debt Service Payment & Servicing Fee for 1 Month	$ 10,177
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months	$
e) Repair & Replacement Reserves	$
f) HMFA Operating Deficit Reserve	$
g) Other: Syndicator Operating Reserve: Pd w/ Install #3	$ 321,000
h) Other: Social Services Reserve: Pd w/ Insta	428,000

Total Escrows as a % of Total Project Costs: 4.40%

7. USES OF FUNDS FOR PERMANENT CLOSING	$ **14,080,115**
8. BALANCE NEEDED TO CLOSE (overage / shortage):	$ **0**
9. TOTAL PROJECT COSTS	$ **17,822,235**
10. MAXIMUM MORTGAGE LOAN (7.98 % of Item 10)	$ 1,422,337

11. 55% of Basis Test:

Aggregate Basis:	$ **16,721,452**
55% of Basis (estimated):	**9,196,798**
Less 1st Mtg., 1st Note:	1,422,337
Equals 1st. Mtg., 2nd Note Needed:	**7,774,461**

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE) **List Source**

Interest @ ____ (____) mos. Principal $ ____ $ ____ Total $ ____

$ ____ $ ____ $ ____ Total $ ____ $ ____

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________ (Developer or Authorized Signatory)

By: ______________________ NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity:	Edgewater Park Senior Apartments LLC	HMFA#	07958		
Dev. Name:	Edgewater Park Senior	Prepared by:	Tiani Norris		04/14/25
		Reviewed by:			
			(Director of Asset Management)		Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	2,000
Telephone	10,000
Dues & Sub.	2,000
Postage	1,500
Insp. & Other Fees	1,500
Advertising	4,000
Legal Services	4,000
Auditing (Year End)	13,840
Soc. Serv. Suppl.	5,000
Misc. Adm. Expenses	3,657
Bookkeeping/Accounting	
and/or Computer Charges	5,631
Other:	
TOTAL $	53,128

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	1	40,000
Janitorial		
Grounds & Landscaping		
Security		
Social Services	1	20,000
Site Office & Admin	1	45,000
Maintenance		
Other Salaries:		
Empl. Benefits		18,900
Empl. Payroll Taxes		10,500
Worker's Comp.		2,625
Other:		
TOTAL $	2.50	137,025

III. MAINTENANCE AND REPAIRS

Masonary	2,000
Carpentry	2,000
Plumbing	2,000
Electrical	2,000
Kitchen Equipment	
Elevator	
Windows & Glass	2,500
Vehicles & Equip.	2,500
Snow Removal	13,000
Grounds & Landscaping	7,000
Paint & Dec. Supl.	2,000
Small Equip. & Tools	2,000
Janit. Sup. & Tools	2,000
HVAC Supplies	2,000
Misc. Maint. Suppl.	1,500
Other:	
TOTAL $	42,500

IV. MAINTENANCE CONTRACTS

Security	3,500
Elevator	8,000
Rubbish Removal	10,000
Heating & AC Maint.	8,000
Grounds, Parking & Landscaping	8,000
Exterminating	2,500
Cyclical Apt. Painting	6,767
Other:	
TOTAL $	46,767

V. UTILITY EXPENSE

Water Charges	22,000
Sewer Charges	20,000
Electricity	15,000
Gas	10,000
Fuel	
Less Solar Energy Savings	
TOTAL $	67,000

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	$	658,056			
Less Vacancy	(-)	32,903			
Less Utilities (if applicable)	(-)	67,000			
Gross Sheltered Rents	$	558,153			
x Rate	x	6.28 %			ACTUAL TAXES
Real Estate Taxes	$	35,052	OR		IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	1,422,337		HMFA #	07958
Mortgage Interest Rate	7.25 %		Prepared by:	Tiani Norris	04/14/25
Term (years)	30 Yrs.	**The Interest rate has been**	Reviewed by:	
Amortization (Y,S,M)	M	**reduced by:** ____ **basis points**		Date
FMR Area	Burlington (5)	**as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.**		

Date of Income Limits Chart Used: 04/01/24
Date of Utility Chart Used: 09/01/24

ANTICIPATED GROSS RENTS:

No. of Bedrooms	No. of Units	% AMI	Gross Rent	Subsidy Type, if applicable	Subsidy Amount	Allowance for Tenant Paid Utilities***	Net Rent	Monthly	Annual
1	5	20% AMI	430			151	279	1,395	16,740
1	3	Sec 811	1,236				1,236	3,708	44,496
1	21	47.5% AMI	1,021			151	870	18,270	219,240
1	29	57.5% AMI	1,236			151	1,085	31,465	377,580
TOTALS	**58**							**54,838**	

Anticipated Annual Gross Rents **658,056**

* Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put $0 in the Rent column.
** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income. **NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.**
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom
*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:		(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	X	Heat	Electric	Individual	Yes
Refrigerator	X	Hot Water	Gas	Master Metered	No
Air Conditioning	X	Cooking	Electric	Individual	Yes
Laundry Facilities	X	Air Conditioning	Electric	Individual	Yes
Disposal		Household Electric		Individual	Yes
Dishwasher	X	Water		Master Metered	No
Carpet		Sewer		Master Metered	No
Drapes		Parking			No
Swimming Pool		Other:			
Tennis Court		Other:			
Other:					

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Ch	X	**Utility Company Estimates**	
HUD Utility Schedule Model		**Energy Consumption Model**	

COMMERCIAL SPACE
(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: Edgewater Park Senior Apartments LLC
HMFA# 07958
Prepared by: Tiani Norris 04/14/25
Dev. Name: Edgewater Park Senior
Reviewed by:
(Director of Asset Management - Expenses Only) Date

RENTAL INCOME

Apartment Rents		$	658,056
Vacancy Loss	(5.00 %)	-	32,903
NET APT. RENTS			625,153
Commercial Income	per Sq. Ft.	$	
Garage & Parking	per Sq. Ft.		
Commercial Vacancy	%		
NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME		$	625,153

OTHER INCOME				
Laundry Machines		$		
Other:				
TOTAL OTHER INCOME		$		
TOTAL REVENUE			$	**625,153**
EXPENSES				
Administrativ (Schedule I)		$ 53,128		
Salaries (Schedule II)		137,025		
Maint. & Rep (Schedule III)		42,500		
Maint. Contra (Schedule IV)		46,767		
Utilities (Schedule V)		67,000		
Management I	70.00 per unit	48,720	* Should be between $55 & $70 per unit per month	
P.I.L.O.T. on Commercial Income(	%)			
Real Estate Ta (Schedule VI)		35,052		
Insurance	$550 per Unit	31,900	**2-Story & below - $500; 3-Story & above - $550**	
Reserve for Repair and Replacement	390.00 per unit	22,620		
TOTAL EXPENSES			$	**484,712**
NET OPERATING INCOME			$	**140,442**
DEBT SERVICE				
1. Principal and Interest		$ 116,434		
2. Mortg & Bond Serv Fee	0.40 %	5,689		
3. MIP	%			
4. Debt Service on Other Mortgage Loa	$	$		
AGENCY DEBT SERVICE		$ 122,123		
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$		
TOTAL DEBT SERVICE			$	122,123
NET INCOME			$	**18,319**
Less Return on Equity	(% on $	)	- $	
Project Profit/(Loss)			$	**18,319**

DEBT SERVICE RATIO CALCULATION :

DSR = NET OPERATING INCOME / AGENCY DEBT SERVICE = **1.15000**

New Mortgage Amount

1,422,337

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT:	Edgewater Park Senior	Annual % of Rent Increase:	3.00%		
HMFA #:	07958	Annual Expense Increase:	4%		
LOAN OFFICER:	Tiani Norris	Vacancy:	5.00	$32,903	
DATE:	4/14/25	Commercial Rent Increase:			
		Commercial Vacancy:	0.00	%	

Permanent Mortgage (1st Note)		1,422,337
Interest Rate:		7.25
Term:		30
Annual Payment:		116,434
Servicing Fee:	0.400	5,689
MIP:	0.000	0

2nd Note/Mortgage(Amortizing)		
Interest Rate:		0.000000
Term in Years:		0
Annual Payment:		$0.00
Servicing Fee:		$0
		$0

FRM-CDBG	0
Interest Rate Annually:	
First Years Balance:	0

DEVELOPMENT: Edgewater Park Senior
HMFA #: 07958
LOAN OFFICER: Tiani Norris
DATE: 4/14/25

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
1	5	676	430	0	151	279	1,395	16,740
0	0	0	0	0	0	0	0	0
1	3	676	1,236	0	0	1,236	3,708	44,496
0	0	0	0	0	0	0	0	0
1	21	676	1,021	0	151	870	18,270	219,240
0	0	0	0	0	0	0	0	0
1	29	676	1,236	0	151	1,085	31,465	377,580
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0		0	0	0	0	0	0
0	0		0	0	0	0	0	0
Total	58							658,056

PILOT Calculation	Year 1	
Rental Income		
Gross Rental Income	658,056	
Less: Vacancy	-32,903	
Net Rental Income	625,153	
Less: Owner-pd Utilities	-67,000	
Basis for PILOT Calc.	558,153	
PILOT Rate	6.28	
PILOT Payment Estimate	$35,052	
Commercial:		**Square Ft.**
Gross Commercial Income	0	15,683
Less: Vacancy	(0.00)	
Net Commercial Income	0	
PILOT Rate	0.00%	
PILOT Payment Estimate	0	

Commercial $/sq. ft.: $0

PROJECTIONS	%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
RENTAL INCOME											
Apartment Rents		658,056	677,798	698,132	719,076	740,648	762,867	785,753	809,326	833,606	858,614
Less Vacancy Loss	5 %	-32,903	-33,890	-34,907	-35,954	-37,032	-38,143	-39,288	-40,466	-41,680	-42,931
NET APT. RENTS		625,153	643,908	663,225	683,122	703,615	724,724	746,466	768,860	791,925	815,683
Commercial Income	$0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0.00	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS		0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:		**625,153**	**643,908**	**663,225**	**683,122**	**703,615**	**724,724**	**746,466**	**768,860**	**791,925**	**815,683**
OTHER INCOME											
Laundry Machines	$0	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME		0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE		625,153	643,908	663,225	683,122	703,615	724,724	746,466	768,860	791,925	815,683
OPERATING EXPENSES	Yearly Per Unit Cost										
Administrative	$916	53,128	55,253	57,463	59,762	62,152	64,638	67,224	69,913	72,709	75,618
Salaries and Benefits	$2,363	137,025	142,506	148,206	154,134	160,300	166,712	173,380	180,316	187,528	195,029
Maintenance & Repairs	$733	42,500	44,200	45,968	47,807	49,719	51,708	53,776	55,927	58,164	60,491
Maintenance Contracts	$806	46,767	48,637	50,583	52,606	54,710	56,899	59,175	61,542	64,003	66,564
Utilities	$1,155	67,000	69,680	72,467	75,366	78,381	81,516	84,776	88,167	91,694	95,362
Management Fee 70.00	$48,720	48,720	50,182	51,687	53,238	54,835	56,480	58,174	59,919	61,717	63,569
PILOT on Housing 6.28	$604	35,052	36,062	37,100	38,167	39,265	40,393	41,554	42,747	43,975	45,236
Insurance	$550	31,900	33,176	34,503	35,883	37,318	0	0	0	0	0
Replacement Reserves	$390	$22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620
PILOT on Comm.	$0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		484,712	502,316	520,597	539,583	559,300	540,966	560,680	581,152	602,411	624,488
Total Per Unit Cost		8,357	8,661	8,976	9,303	9,643	9,327	9,667	10,020	10,386	10,767
Expense/Income Ratio		0.78	0.78	0.78	0.79	0.79	0.75	0.75	0.76	0.76	0.77
INCOME AVAIL. FOR DEBT		140,442	141,592	142,628	143,539	144,315	183,758	185,786	187,708	189,515	191,195
Debt Service-1st Mortgage		122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123
Debt Service-2nd Note		0	0	0	0	0	0	0	0	0	0
Total Debt Service		122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123
Debt Service Ratio		1.15	1.16	1.17	1.18	1.18	1.50	1.52	1.54	1.55	1.57
DSR from Operations and Reserve		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service		18,318	19,469	20,504	21,415	22,192	61,635	63,662	65,585	67,391	69,072
MFP 25	%	4,580	4,867	5,126	5,354	5,548	15,409	15,916	16,396	16,848	17,268
	%	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow		13,739	14,602	15,378	16,062	16,644	46,226	47,747	49,188	50,543	51,804
											107,311
OPERATING RESERVE:											
Beginning Reserve Balance			0	0	0	0	0	0	0	0	0
Interest Income		0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow		0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance		0	0	0	0	0	0	0	0	0	0

PROJECTIONS	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
RENTAL INCOME											
Apartment Rents	884,372	910,903	938,231	966,377	995,369	1,025,230	1,055,987	1,087,666	1,120,296	1,153,905	1,188,522
Less Vacancy Loss	-44,219	-45,545	-46,912	-48,319	-49,768	-51,261	-52,799	-54,383	-56,015	-57,695	-59,426
NET APT. RENTS	840,154	865,358	891,319	918,059	945,600	973,968	1,003,187	1,033,283	1,064,281	1,096,210	1,129,096
Commercial Income	0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**840,154**	**865,358**	**891,319**	**918,059**	**945,600**	**973,968**	**1,003,187**	**1,033,283**	**1,064,281**	**1,096,210**	**1,129,096**
OTHER INCOME											
Laundry Machines	0	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME	0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	840,154	865,358	891,319	918,059	945,600	973,968	1,003,187	1,033,283	1,064,281	1,096,210	1,129,096
OPERATING EXPENSES											
Administrative	78,642	81,788	85,060	88,462	92,001	95,681	99,508	103,488	107,628	111,933	116,410
Salaries and Benefits	202,830	210,944	219,381	228,157	237,283	246,774	256,645	266,911	277,588	288,691	300,239
Maintenance & Repairs	62,910	65,427	68,044	70,766	73,596	76,540	79,602	82,786	86,097	89,541	93,123
Maintenance Contracts	69,226	71,995	74,875	77,870	80,985	84,224	87,593	91,097	94,741	98,530	102,472
Utilities	99,176	103,143	107,269	111,560	116,022	120,663	125,490	130,509	135,730	141,159	146,805
Management Fee	65,476	67,440	69,463	71,547	73,693	75,904	78,181	80,527	82,943	85,431	87,994
PILOT on Housing	46,533	47,867	49,238	50,648	52,097	53,588	55,119	56,694	58,313	59,977	61,688
Insurance	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserves	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620
PILOT on Comm.	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	647,415	671,224	695,950	721,629	748,298	775,994	804,758	834,632	865,658	897,882	931,350
Total Per Unit Cost	11,162	11,573	11,999	12,442	12,902	13,379	13,875	14,390	14,925	15,481	16,058
Expense/Income Ratio	0.77	0.78	0.78	0.79	0.79	0.80	0.80	0.81	0.81	0.82	0.82
INCOME AVAIL. FOR DEBT	192,739	194,134	195,369	196,429	197,303	197,974	198,429	198,651	198,623	198,328	197,746
Debt Service-1st Mortgage	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123
Debt Service-2nd Note	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123
Debt Service Ratio	1.58	1.59	1.60	1.61	1.62	1.62	1.62	1.63	1.63	1.62	1.62
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	70,615	72,011	73,245	74,306	75,179	75,851	76,306	76,528	76,500	76,204	75,623
MFP	17,654	18,003	18,311	18,576	18,795	18,963	19,076	19,132	19,125	19,051	18,906
%	0	0	0	0	0	0	0	0	0	0	0
Remaining Cash Flow	52,962	54,008	54,934	55,729	56,384	56,888	57,229	57,396	57,375	57,153	56,717
					198,650						
OPERATING RESERVE:											
Beginning Reserve Balance	0	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0	0	0	0	0

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
1,224,178	1,260,903	1,298,730	1,337,692	1,377,823	1,419,158	1,461,733	1,505,585	1,550,752
-61,209	-63,045	-64,937	-66,885	-68,891	-70,958	-73,087	-75,279	-77,538
1,162,969	1,197,858	1,233,794	1,270,808	1,308,932	1,348,200	1,388,646	1,430,305	1,473,214
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1,162,969	**1,197,858**	**1,233,794**	**1,270,808**	**1,308,932**	**1,348,200**	**1,388,646**	**1,430,305**	**1,473,214**
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
1,162,969	1,197,858	1,233,794	1,270,808	1,308,932	1,348,200	1,388,646	1,430,305	1,473,214
121,066	125,909	130,945	136,183	141,631	147,296	153,188	159,315	165,688
312,248	324,738	337,728	351,237	365,286	379,898	395,094	410,897	427,333
96,848	100,722	104,750	108,940	113,298	117,830	122,543	127,445	132,543
106,570	110,833	115,267	119,877	124,672	129,659	134,846	140,239	145,849
152,677	158,785	165,136	171,741	178,611	185,755	193,186	200,913	208,950
90,634	93,353	96,153	99,038	102,009	105,069	108,221	111,468	114,812
63,446	65,254	67,112	69,021	70,984	73,002	75,075	77,206	79,396
0	0	0	0	0	0	0	0	0
22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620	22,620
0	0	0	0	0	0	0	0	0
966,110	1,002,213	1,039,711	1,078,658	1,119,111	1,161,129	1,204,772	1,250,103	1,297,190
16,657	17,280	17,926	18,598	19,295	20,019	20,772	21,554	22,365
0.83	0.84	0.84	0.85	0.85	0.86	0.87	0.87	0.88
196,859	195,645	194,083	192,150	189,821	187,071	183,874	180,202	176,025
122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123
0	0	0	0	0	0	0	0	0
122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123	122,123
1.61	1.60	1.59	1.57	1.55	1.53	1.51	1.48	1.44
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74,736	73,522	71,960	70,026	67,697	64,948	61,751	58,078	53,901
18,684	18,380	17,990	17,507	16,924	16,237	15,438	14,520	13,475
0	0	0	0	0	0	0	0	0
56,052	55,141	53,970	52,520	50,773	48,711	46,313	43,559	40,426
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A MORTGAGE FINANCING COMMITMENT FOR THE PROJECT KNOWN AS VERONA FLATS AKA APARTMENTS AT VERONA, HMFA #07767

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

.

Laura Shea
Assistant Secretary

Verona Flats aka Apartments at Verona **May 1, 2025**
Township of Verona, Essex County
HMFA #07767
Developer: Conifer Realty, LLC
# of Units: 95 units including 5 units set-aside for homeless individuals and 5 units set-aside for individuals coming out of nursing homes
Population: Family

REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

1. Approval of a mortgage loan commitment for an estimated $8,023,000 in permanent financing from the Agency Revenue Bond Financing Program for a project known as Verona Flats aka Apartments at Verona, HMFA #07767 (the "Project"), upon the terms and conditions set forth below.

2. Approval of a mortgage commitment for an estimated $375,000 in permanent only financing from the Money Follows the Person Housing Partnership Program ("MFP") for the Project.

3. Approval of a subsidy mortgage loan commitment for an estimated $2,541,000 in permanent financing from the Affordable Housing Production Fund Set Aside ("AHPFSA") Program for the Project, pursuant to the AHPFSA Program Guidelines.

4. Approval of a subsidy mortgage loan commitment for an estimated $1,500,000 in permanent financing from the Affordable Housing Gap Subsidy Program ("AHGS") for the Project, upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

Verona Flats was awarded 9% Low Income Housing Tax Credits ("LIHTC") in the September 2020 round and received a supplementary award of 9% LIHTC in the December 2022 round.

On December 15, 2022 the Agency Board approved a subsidy mortgage loan commitment from the Affordable Housing Gap Subsidy Program and on May 4, 2023, the Agency Board approved a commitment for permanent financing from the Agency Revenue Bond Program, permanent only financing from the Money Follows the Person Housing Partnership Program and permanent financing from the Affordable Housing Production Fund Set Aside Program for the Project.

Due to delays caused by the Project being acquired by Conifer Realty, LLC from PIRHL Developers, LLC's, the Project's commitment expired on January 31, 2025. The Sponsor has provided the required due diligence and staff supports Agency approval of the commitment.

Construction began in July 2023 and was completed December 2024. The Project is currently 100% completed. The Project is anticipated to close on the Agency's permanent financing by June 2025.

Prior Board Approval

On August 6, 2020, the Agency Board approved a conditional commitment for permanent financing.

On August 11, 2022, the Agency Board approved a conditional commitment for permanent financing.

On December 15, 2022, the Agency Board approved a mortgage recommitment for the Affordable Housing Gap Subsidy Program for permanent financing.

On May 4, 2023, the Agency Board approved a mortgage commitment for permanent financing.

On September 26, 2024, the Agency Board approved a mortgage modification for permanent financing.

The Applicant/The Developer

Conifer Realty, LLC (the "Developer"), located in Mount Laurel, New Jersey is the applicant and developer for the Project's financing.

Conifer has previously secured financing from the Agency. Multifamily Projects completed or currently in the pipeline with the Agency include Leland Gardens HMFA #580, Mill Stream Apartments HMFA #578, Tamarack Apartments HMFA #635, Ferry Family Housing HMFA #02586/ SNHTF #289, Sharp Road HMFA #02265 Willow Point at Vista Center HMFA #1338, Conifer Village at Cape May #02369, Conifer Village at Deptford #02400, Atlantic City HOPE VI HMFA #02772, Harding Homes HMFA #02982, and Tamarack Station HMFA #01321.

The Sponsor/Borrower

The applicant for the Project's financing has form a limited liability company known as Verona LIHTC Urban Renewal LLC, such entity also to be known as the "Sponsor" and/or "Borrower." Conifer Verona GP, LLC will be the managing member and will hold 0.009% ownership interest. Riverside Housing Partnership II 2019, LLC will be the investor member and will hold 99.99% ownership interest and Riverside Manager, LLC d/b/a Berkadia Affordable Manager will be the special member and will hold 0.001% ownership interest in Verona LIHTC Urban Renewal LLC.

General Contractor

Conifer LeChase Construction is the general contractor for the Project, with extensive experience with the Agency. Agency projects completed with this general contractor include Linden Lake Senior Apartments HMFA #01472, Edgewood Senior Phase I HMFA#01436 and Phase II HMFA # 01484, Sharp Road HMFA #02265, Conifer Village at Deptford HMFA #02400, Medford Senior Residence HMFA #02401 and Harding Homes #02982. To date, the contractor has completed work on time and within budget.

Acquisition

PIRHL Developers, LLC and the Township of Verona entered into a Redevelopment Agreement dated January 9, 2020, to acquire the property for $0. The Township of Verona and PIRHL Developers, LLC subsequently entered into a First Amendment to the Redeveloper Agreement dated September 3, 2020. PIRHL Developers, LLC acquired the property on June 9, 2020. Pursuant to a global purchase agreement, PIRHL Developers, LLC then transferred its interest in the property to Conifer Realty, LLC, as evidenced by an Amended and Restated Agreement to Purchase and Sale dated March 17, 2023 and as supplemented and amended March 24, 2023, April 14, 2023 and May 24, 2024. The transfer was evidenced in the Second Amended and Restated Operating Agreement dated June 28, 2023 showing the membership interests of the ownership entity before and after the transfer to Conifer Realty, LLC. The Municipality confirmed its approval to the transfer by document dated May 15, 2023.

The Sponsor acquired the property by way of Bargain and Sale Deed dated June 28, 2023.

Per the updated appraisal report dated February 17, 2025, the land value of the property is $2,800,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed Project, $0 is recognized for acquisition costs.

The Project

The Project will consist of the new construction of three low-rise 3 and 4 story buildings located at 1, 3, 5 Linn Drive in the Township of Verona, Essex County, block 2301 and Lots 14.01 (the "Property"). The Project will be a family facility with 95 units. For Special Needs purposes, 5 units will be set aside for homeless adults and 5 units will be set aside for individuals 18 years or older coming out of nursing homes and capable of independently living in the community.

The development will offer 16 one-bedroom, 53 two-bedroom and 26 three-bedroom apartments. The units will range in size between 734 to 1,405 square feet. Unit amenities will include open floor plans, modern kitchens with Energy-Star appliances and balconies. Additionally, the development will feature outdoor play areas and walking paths. The development will include management services and an onsite community room for the residents for uses such as resident support spaces, social gatherings, and resident activities. There will be 143 total parking spaces for the residents. A social services room will be provided on the ground floor of the development to accommodate health and wellness needs.

Verona Flats will be situated on an approximately 4.15-acre site at the intersection of Bloomfield Avenue, Linn Drive, and Pine Street in Verona (Essex County), NJ. The proposed project will be strategically located near a growing commercial corridor along Bloomfield Avenue. Verona Flats will be very proximate to numerous amenities: a community center, public parks, public schools, daycare facilities, bank, medical offices, and several retail offerings and community assets are all located within 1 mile of the property and a quality grocer and retail plaza are located within 1.5 miles of the property. Additionally, the property is immediately proximate to a bus stop that is served by New Jersey Transit Line 29 and is also within 2.5 miles of the Upper Montclair Train Station. These transit options will provide residents of Verona Flats with convenient and reliable access to amenities and employment opportunities across the region.

The property will be managed by Conifer Management, LLC.

For Special Needs purposes, five (5) units will be set aside for homeless individuals and five (5) units will be set aside for individuals coming out of nursing homes.

For tax credit purposes, the Sponsor will select the 40% at 60% set aside**.**

Utilities

Heat, hot water, air conditioning, cooking and household electric will be serviced by electricity, individually metered, and paid by the tenant. Water and sewer will be master metered and paid by the Project.

Market Analysis

The Project will likely draw its potential residents from Essex County and the nearby market area. The capture rate, defined as the total potential market for a type of Property that is currently absorbed by existing facilities in the primary market area, is 0.67%. The projected absorption for the Project is six (6) months post completion. The capitalization rate, the ratio between the net operating income and the current value of the property, is 6%, as per the appraisal report dated February 17, 2025.

Exhibit A

Social Services Provider

The Mental Health Association of Essex and Morris County will offer services aimed to support the tenants who are homeless and individuals coming out of nursing homes living in the ten (10) supportive housing units. A coordinator will be on site at a minimum of 5 hours a week to provide Case Management services, needs assessments, referrals to treatment services, crisis intervention. The Supportive Housing Coordinator will collaborate with the Social Services Coordinator to ensure that tenants in supportive housing can integrate with all residents in the building and participate in any other social services offered at the development. There is an executed Memorandum of Understanding (MOU) agreement between Verona LIHTC Urban Renewal LLC and The Mental Health Association of Essex and Morris County. Verona LIHTC Urban Renewal LLC also has a second Memorandum of Understanding (MOU) with Navicore Solutions. This MOU will demonstrate an agreement between the partners whereby Navicore Solutions will collaborate with the development team and property management team to facilitate financial literacy education and counseling at Apartments at Verona. A third Memorandum of Understanding (MOU) is also in place between Verona LIHTC Urban Renewal LLC and the United Way of Northern New Jersey. This partnership's intent is to provide job readiness workshops and income tax preparation at the Apartments for Verona. The fourth Memorandum of Understanding (MOU) is also in place between Verona LIHTC Urban Renewal LLC and Saint Barnabas Medical Center to provide healthcare screenings and health educational programming to advance resident health and encourage healthy lifestyles at the Apartment at Verona.

Conifer Realty, LLC or its assigns agrees to set aside $281,332 over the 15-year compliance period into a supportive services escrow. The long-term funding of the supportive services plan will come from the supportive service escrow established by Verona LIHTC Urban Renewal LLC with LIHTC equity for the sole purpose of financing social services.

Operations

Five Section 811 Project-Based Rental Assistance vouchers have been committed for the 5 MFP Units.

Agency Financing

The Agency will provide a permanent loan from the Agency Revenue Bond Financing Program in the estimated amount of $8,022,214, at an estimated annual interest rate of 7.25%, with an estimated term of 32 years. The loan will be secured by a first mortgage lien on the Property.

The Agency will provide permanent loan financing from the Affordable Housing Production Fund Set Aside ("AHPFSA") Program. The loan is currently estimated to be $2,540,273 at an annual interest rate of 1% for an estimated term of 32 years. This loan will be repaid with a pro-rata share of fifty percent (50%), estimated at 16.67%, of the Project's cash flow remaining at the earlier of 10 years or the repayment of deferred developer's fee. This mortgage will be secured by a subordinate lien on the Property.

The Agency will provide a subordinate permanent only loan from the AHGS in an estimated amount of $1,500,000, at an annual interest rate of 1%, with an estimated term of 32 years. This loan will be repaid with a pro-rata share of fifty percent (50%), estimated at 16.67%, of the Project's cash flow remaining at the earlier of 10 years or the repayment of deferred developer's fee. This mortgage will be secured by a subordinate lien on the Property.

The Agency will provide a subordinate permanent only loan from the MFPHPP in an estimated amount of $375,000, at an annual interest rate of 0%, with an estimated term of 32 years. This loan will be repaid with a pro-rata share of fifty percent (50%), estimated at 16.67%, of the Project's cash flow remaining at the earlier of 10 years or the repayment of deferred developer's fee. This mortgage will be secured by a subordinate lien on the Property.

Escrow Requirements

Working Capital	The Multifamily Program and Lending Guidelines require that a debt service and operating expense reserve be established in the estimated amount of $527,294 to be held by the Agency.
Insurance	The Multifamily Program and Lending Guidelines require that a 1/2-year insurance reserve be established in the amount of $40,375 to be held by the Agency.
Taxes	The Multifamily Program and Lending Guidelines require that a one quarter-year tax reserve be established in the amount of $3,463 to be held by the Agency.
Debt Service Payment and Servicing Fee for One Month	The Multifamily Program and Lending Guidelines require that a debt service payment and servicing fee reserve of one month be established in the amount of $56,465 to be held by the Agency.
Syndicator Supportive Services Reserve	The LIHTC syndicator has required that a Supportive Services Reserve be established in the amount of $281,332, funded and held by syndicator.

Exhibit A

Other Funding Sources

LIHTC	The Sponsor was awarded 9% federal LIHTC and anticipates the sale of the tax credits at $0.98 cents on the dollar. In exchange for the tax credits, the investor, Berkadia Affordable Tax Credit Solutions, is expected to generate equity for the Project in the amount of $17,259,887.
Township of Verona Affordable Housing Trust Funds	The Sponsor has received a commitment from the Township of Verona in the amount of $500,000.
Essex County HOME Funds	The Sponsor has received a commitment from the Essex County HOME Funds in the amount of $1,925,000.
Construction Financing	The Sponsor has received a construction commitment from Webster Bank in the amount of $22,200,000 at a rate of 8.6660%, for 24 months.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of $850,594 during construction of which $638,748 is anticipated to be paid at permanent take-out, leaving $211,846 in the deal. **The deferred portion of the developer fee shall be achieved from cash flow after payment of debt service, operating expenses and funding of all required escrows and reserves. Return on Equity will be achieved after the collection of the deferred developer fee.**

Terms and Conditions

Borrower:	Verona LIHTC Urban Renewal, LLC, such entity to be called below the "Sponsor." This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.
Use of loan funds:	Take-out permanent financing for the new construction of a multifamily rental housing project known as Verona Flats aka Apartments at Verona, HMFA #07767 (the "Project").

Affordable Housing Production Fund Set Aside permanent financing for new construction of a project known as Verona Flats aka Apartments at Verona, HMFA #07767 (the "Project").

Affordable Housing Gap Subsidy permanent financing for new construction of a project known as Verona Flats aka Apartments at Verona, HMFA #07767 (the "Project").

Money Follows the Person Partnership Housing Partnership Program permanent financing for new construction of a project known as Verona Flats aka Apartments at Verona, HMFA #07767 (the "Project").

Principal: First mortgage loan in the amount of $8,022,214, provided, however, that the Executive Director is authorized to adjust this amount pursuant to the Underwriting Parameters set forth below.

Subordinate Affordable Housing Production Fund Set Aside mortgage loan in the amount of $2,540,273.

Subordinate Affordable Housing Gap Subsidy mortgage loan in the amount of $1,500,000.

Subordinate Money Follows the Person Partnership Housing Partnership Program mortgage loan in the amount of $375,000.

Permanent Interest: First mortgage loan at 7.25%, per annum, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

Subordinate Affordable Housing Production Fund Set Aside, at 1% annum, provided however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

Subordinate Affordable Housing Gap Subsidy, at 1% annum, provided however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

Subordinate Money Follows the Person Partnership Housing Partnership Program, at 1% annum, provided however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

Annual Servicing Fee:	Loan is underwritten using an annual servicing fee of 40 Basis points if Borrower pays two points to reduce the servicing fee and the 2% tax credit allocation fee.
Permanent Term:	First mortgage loan at 32 years from the date of loan closing. Subordinate Affordable Housing Production Fund Set Aside mortgage loan at 32 years. Subordinate AHGS mortgage loan at 32 years from the date of loan closing. Subordinate Money Follows the Person Partnership Housing Partnership Program mortgage loan at 32 years.
Collateral:	First mortgage lien on Project real estate and security interest in personal property included in the Project. Subordinate AHPFSA mortgage lien on Project real estate and security interest in personal property included in the Project. Subordinate AHGS mortgage lien on Project real estate and security interest in personal property included in the Project. Subordinate MFPHPP mortgage lien on Project real estate and security interest in personal property included in the Project.
Repayment:	First mortgage loan will be repaid from Project Revenues. Subordinate AHPFSA mortgage loan will be repaid from a pro-rata share of 16.67% of the Project’s cash flow. Subordinate AHGS mortgage loan will be repaid from a pro-rata share of 16.67% of the Project’s cash flow. Subordinate MFPHPP mortgage loan will be repaid from a pro-rata share of 16.67% of the Project’s cash flow.

Source of loan funds: Taxable bonds, AHGS, MFPHPP, AHPFSA, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.

Underwriting parameters: The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) the debt service coverage ratio, 2) term of the loan, 3) the interest rate, 4) the income and expense projections, and 5) the sources and uses of project development funds. Using a minimum required debt service coverage ratio of 1.15, a term of 32 years, an interest rate of 7.25% per annum, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $8,022,214. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage loan amount that the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 through 5 above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or if the Agency's risk assessment dictates a revised minimum debt service coverage ratio, then the mortgage loan amount may be adjusted to an amount that would maintain the Agency-determined appropriate debt service coverage ratio.

The working capital amount is derived through a projection of the 1) completion date of the project, 2) the number of units to be occupied at the time the Agency closes its permanent loan, 3) the actual rents, other income, debt service and operating expenses at time of loan closing, 4) the projected amount of time to rent up the remaining units to reach sustaining occupancy and 5) market conditions as reflected in the appraisal/market study. If the actual factors at the time the Agency makes its loan are different from what is projected in this commitment, Agency staff is hereby authorized to adjust the working capital to reflect the actual factors.

Affordability Controls: For affordability controls, the Sponsor has selected 40% at 60% set-aside, meaning 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the AMI.

For purposes of calculating return on equity, 50% of units are projected to be occupied by low-income households (earning less than 50% of AMI), 50% of units are projected to be moderate income households (earning 50% to 80% of AMI) and 0% of units are projected to be market households (earning over 80 % of AMI); however the number of units and percentages listed above can carry so long as it would not change the ability of the loan to be underwritten as approved and so long as the Executive Director approves same.

Commitment Fee and Expiration Date: The commitment fee amount previously paid is $50,000; therefore, no further fee is required at this time.
If the recommitment fee is received within the above-listed timeframe, this commitment will expire on January 31, 2026; however, the Executive Director is hereby authorized to extend the recommitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

<u>Mortgage Loan Commitment conditions:</u>

1. Satisfactory compliance with the Agency’s Multifamily Underwriting Guidelines and Financing Policy dated March 20, 2025, as may be amended.

2. Satisfactory compliance with the Agency's AHPFSA Program Guidelines dated February 8, 2024, as may be amended.

3. Satisfactory compliance with the Agency's AHGS Program Guidelines dated January 13, 2022, as may be amended.

4. Satisfactory compliance with the Agency’s Money Follows the Person Housing Partnership Program Guidelines dated September 24, 2015, as may be amended.

5. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

6. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

7. The receipt of all necessary environmental and municipal approvals satisfactory to the Agency staff and the Attorney General’s Office including, but not limited to, zoning variances, site plan and a tax abatement agreement pursuant to <u>N.J.S.A.</u> 55:14K-37 or the Long-Term Tax Exemption Law, if applicable. In the event a tax abatement is obtained under the Long-Term Tax Exemption Law, the Agency

reserves the right to request a tax abatement under N.J.S.A. 55:14K-37 as a further condition of commitment, and reserves the right to require the Sponsor to relinquish its status as an urban renewal entity.

8. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.

9. The Agency will not fund any additional construction costs that exceed the approved construction budget reflected in the board approved committed Form 10. Any additional construction costs exceeding the Form 10 contingency will be borne solely by the developer.

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Multifamily Underwriting Guidelines and Financing Policy dated March 20, 2025, as may be amended.

2. Satisfactory compliance with the Agency's AHPFSA Program Guidelines dated February 8, 2024, as may be amended.

3. Satisfactory compliance with the Agency's Affordable Housing Gap Subsidy Guidelines and Financing Policy dated January 13, 2022, as may be amended.

4. Satisfactory compliance with the Agency's Money Follows the Person Housing Partnership Program Guidelines dated September 24, 2015, as may be amended.

5. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.

6. The Sponsor agrees that the Project must comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

7. Mortgage loan closing shall not occur until construction is completed in accordance with the plans and specifications approved by Agency staff. Construction shall be deemed completed at the sole discretion of Agency staff. Prior to permanent mortgage loan closing, the Sponsor must submit an audit of the development costs of the completed project, which the Agency must review and approve in its sole discretion.

8. The Agency must receive from the Sponsor insurance covering the Project in full compliance with all applicable Agency Insurance Specifications and Minimum Requirements ("Agency Insurance Requirements"). The applicable Agency Insurance Requirements are found on the Agency's Website (www.njhousing.gov) under the Quicklinks Tab and accessing Insurance Resources. By submitting the Financing Application for the Project, the Sponsor acknowledges that they have reviewed the applicable Agency Insurance Requirements and will fully comply with same to the sole satisfaction of the Agency.

9. Submission, verification and compliance with the Agency's requirement for construction completion guarantees *(100% Payment and Performance Bond for Agency construction loans or Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans)*, including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.

10. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.

11. Receipt by Agency staff of an original insurance policy covering the Project and naming the Agency as: a) first mortgagee, b) lender's loss payable and c) additional insured, along with receipt demonstrating that the policy is paid in full. Note that an insurance certificate is not sufficient to meet this requirement. If a full insurance policy is temporarily unavailable, closing may occur on an insurance certificate if a letter is submitted from the insurance provider (not the broker) confirming that the insurance agent has the authority to bind the provider insuring the Project pursuant to the certificate of insurance.

12. Closing on HMFA financing shall not occur if any LIHTC projects owned by Conifer Realty, LLC, as well as any affiliate entity under the Sponsor's control and any entity that is a related party, has uncorrected noncompliant violations. That is, by definition in the QAP, there shall be no uncorrected violations of State or local building codes or health ordinances; nor failure of any major systems (i.e. roof, HVAC, elevators, plumbing, or electric).

Exhibit A

Project Report

Legislative District:	26
Congressional District:	11
Census Tract:	210.00

Development Team:

Developer/Applicant:	Conifer Realty, LLC 1000 University Avenue, Suite 500 Rochester, NY 14607 856-793-2078
Sponsor/Borrower Entity:	Verona LIHTC Urban Renewal LLC 1000 University Avenue, Suite 500 Rochester, NY 14607 856-793-2078
Principals:	Lauren Williams 1000 University Avenue, Suite 500 Rochester, NY 14607 856-793-2078
Contact:	Lauren William 1000 University Avenue, Suite 500 Rochester, NY 14607 856-793-2078
Architect:	Jacquelin Camp, WRT 2800 Market Street, Suite 2800 Philadelphia, PA 19103 215.732.5215
Attorney:	Ballard Spahr Jeffrey S. Beenstock 210 Lake Drive East, Suite 200 Cherry Hill, NJ 08002 856.761.3417
General Contractor:	Conifer LeChase Construction 205 Indigo Creek Drive Rochester, NY 14626

Exhibit A

Managing Agent:	Conifer Management, LLC Alicia Morgan 1000 University Avenue, Suite 500 Rochester, NY 14607
Social Services Provider:	Mental Health Associates of Essex and Morris 60 Main Street, Suite 370 West Orange, NJ 07052 973.509.3777
Clearances and Disclosures:	All required disclosures from federal, State and/or municipality will be submitted prior to project funding.
Site Control:	The Borrower has entered into a deed.
Zoning:	The property is properly zoned for the proposed use.
Utilities:	All utilities are available to the site.
Land Valuation:	Has been determined in accordance with Agency standards set forth in the Agency's underwriting guidelines.
Taxes:	Tax abatement has been granted in accordance with N.J.S.A. 55:14K-37.
Environmental:	Has been completed in accordance with Agency underwriting standards set forth in the Agency underwriting guidelines.

Exhibit A

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$0	($0/DU)	($0/SF)
Construction Costs (Including Contractor Fee)	$23,084,913	($242,999/DU)	($202/SF)
Contingencies	$1,162,857	($12,241/DU)	($10/SF)
Developer Fee	$1,639,505	($17,258/DU)	($14/SF)
Professional Fees	$2,003,629	($21,091/DU)	($18/SF)
Carrying Financing Costs	$3,107,821	($32,714/DU)	($27/SF)
Other Charges	$1,335,495	($14,058/DU)	($12/SF)
TOTAL DEVELOPMENT COST	$32,334,220	($340,360/DU)	($283/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage Loan, Note I	$8,022,214	($84,444/DU)
APHFSA	$2,540,273	($26,740/DU)
LIHTC Equity ($0.98) Berkadia Affordable Tax Credit Solutions	$17,259,887	($181,683/DU)
Money Follows the Person	$375,000	($3,947/DU)
AHGS	$1,500,000	($15,789/DU)
Township of Verona	$500,000	($5,263/DU)
Essex County HOME Funds	$1,925,000	($20,263/DU)
Deferred Developer Fee	$211,846	($2,230/DU)
TOTAL PROPOSED PERMANENT SOURCES	$32,334,220	($340,360/DU)

BREAKOUT OF DEVELOPMENT COSTS:

Acquisition	$0
Percentage of Total Development Costs	0%
Construction Cost + Hard Cost Contingency + Utility Connection Fees	$24,485,632
Percentage of Total Development Costs	76%
**Remaining Soft Cost	$7,848,588
Percentage of Total Development Costs	24%
Percentage of Construction Costs	32%

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost	$7,848,588
Less	
Negative Arbitrage	$167,393
Deferred Developer Fee	$211,846
Escrows	$953,929
Other: (ie: tax credit fees, interest, points)	$2,436,531
TOTAL	$3,769,699
Net Soft Costs	$4,078,889
Percentage of Total Development Costs	13%
Percentage of Construction Costs	17%

BREAKOUT OF PER UNIT COST ($302,500 for one to four stories building or $330,000 five or six stories or $357,500 for over six stories building)

Total Development Cost	$32,334,220	($340,360/DU)
Less		
Reserves	$908,929	($9,568/DU)
Req Deferred Developer Fee	$211,846	($2,230/DU)
NET TOTAL DEVELOPMENT COSTS	$31,213,445	($328,563/DU)

The mortgage loan was sized based on the Sponsor's affordability election and the following assumptions

Exhibit A

Affordability Overview
Rental Housing Summary

# Units	Unit Type	Net Monthly Rent	Utility Allowance	Range of Affordability
1	1- Bedroom	$410	$79	20% AMI- Very Low
2	1- Bedroom	$1,144	$79	Section 811
3	1- Bedroom	$1,144	$79	Section 811
4	1- Bedroom	$1,082	$79	47.5% AMI- Low
1	1- Bedroom	$1,327	$79	57.5% AMI- Mod
1	1- Bedroom	$1,327	$79	57.5% AMI- Mod
4	1- Bedroom	$1,327	$79	57.5% AMI- Mod
2	2- Bedrooms	$489	$98	20% AMI- Very Low
2	2- Bedrooms	$782	$98	30% AMI- Very Low
12	2- Bedrooms	$1,295	$98	47.5% AMI- Low
10	2- Bedrooms	$1,295	$98	47.5% AMI- Low
11	2- Bedrooms	$1,588	$98	57.5% AMI- Mod
8	2- Bedrooms	$1,588	$98	57.5% AMI- Mod
4	2- Bedrooms	$1,588	$98	57.5% AMI- Mod
4	2- Bedrooms	$1,588	$98	57.5% AMI- Mod
1	3- Bedrooms	$544	$134	20% AMI- Very Low
1	3- Bedrooms	$544	$134	20% AMI- Very Low
1	3- Bedrooms	$881	$136	30% AMI- Very Low
11	3- Bedrooms	$1,474	$136	47.5%% AMI- Low
12	3- Bedrooms	$1,813	$136	57.5%% AMI- Mod

95 Units

Attachments:

Form-10
Prior Board Approval Dated August 6, 2020
Prior Board Approval Dated August 11, 2022
Prior Board Approval Dated December 15, 2022
Prior Board Approval Dated May 4, 2023
Prior Board Approval Dated September 26, 2024

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY - with or without TAX CREDITS
SCHEDULE 10-A: PROJECT DESCRIPTION- PERMANENT ONLY LOAN

		Date Action Taken
X	Inducement	8/6/20
X	Commitment	5/1/25
X	Re-Commitme	5/4/23
X	Mtg. Extensio	9/26/24
	Bond Sale	3/30/25
	Final Closing	

If a Closing Other Than Final - Indicate Type By Date

Special Needs:
Other:
Other:

HMFA#: **07767**
Date: 4/9/25
Prepared by: **Tiani Norris**
Reviewed by:

Verona Flats aka Apartments at Verona
Project Name

Project Street Address	City	State	Zip Code:
1, 3, 5 Linn Drive	Verona	NJ	07044

Municipality: Verona Twp. (509)
County: Essex (13)

List Block followed by corresponding Lot and separated by a comma

Note # Only one Block and one lot per cell — **Example:** **31,3.05**

2301, 1	2301, 16			
2301, 12	2301, 17			
2301, 14	2301, portion of 18			
2301, 15	2301, 14.01			

Type of Development
(Select either Family or Senior Citizens (NOT BOTH))
Family: X
Senior Citizens:

Provide the following:
Legislative District: District 26 (26)
Congressional District: District 11 (11)
Census Tract: 210.00

No. of dwelling units: 95
No. of occupied units:
No. of Special Needs units: 10
Special Needs Population: 5 Homeless/ 5 MFP
Construction Term: 17 (mos.)
Rent-up Period: 6 (mos.)

Type of Construction
New Construction: X
Modular:
Moderate Rehabilitation:
Substantial Rehab.:
Conversion:
Rehabilitation/Occupied:
Historic:

Term of Mortgage (in years): 32
Mortgage Interest Rate: 7.250%

The Project is in a: Y or N
QCT:
Smart Growth Planning Area:
(designate area)

Parking
Total Number of Parking Spaces: 143
Ratio of parking to D.U.'s: 1.51 : 1

Type of Financing
Tax Exempt:
Taxable: X

Type of Loan
Construction Loan:
Construction & Permanent Loan:
Permanent Loan Only: X

Tax Credits — **Check One**
4%:
9%: X
Historic:

Affordability - Check One
** 40% AT 60%: X
*** 20% AT 50%:
Income Averaging:

ENTER DOLLAR AMOUNT
Type of Subsidy
Special Needs Program Funds: $
FRM-CDBG: $
Amt. Of FRM-CDBG/Unit:
Money Follows the Person: $ 375,000
Fire Supression: $
Other: $ 1,500,000
Other: $

Cost Summary

Cost of Land and/or Improvements		per DU		per Sqft.
Construction Cost	$242,999	per DU	$202	per Sqft.
Total Project Cost	$340,360	per DU	$283	per Sqft.

Types of Residential Structures*	No. of Bldgs.	No. of Stories Each	Unit Type (No. of BR's)	Average Unit Size in Sq. Ft.	No. of Units	Net Rentable = Area
Low- Rise	1	4	1	779	16	12,464
			2	935	53	49,555
			3	1,405	2	2,810
Low- Rise	2	3	3	1,338	24	32,112
Basement/Crawl Space						
****Garage Parking						
Garage & Parking						
Commercial Space						
Common/Other Space	Community; Service; Management; Corridor; Other					17,189
Totals	3				95	114,130

Total Project Cost	$32,334,220
Minus Eligible Costs:	
Reserves	$908,929
Deferred Developer Fee	$211,846
Non Basis Off Site Improvements	
=	$31,213,445
Cost Per DU	$328,563

*Low - Rise (1 - 4), Mid/Hi - Rise (5 + stories), Townhouse or Semi-detached
** 40-60 set-aside means 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the area median income.
*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.
****Includes only parking beneath the building and/or parking structure

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

HMFA# 07767

X	Inducement	Prepared by:	Tiani Norris
X	Commitment	Reviewed by:	
X	Re-Commitment		Director of Technical Services
X	Mtg. Extension		Date
	Bond Sale		Managing Director of Multifamily
	Closing		Date
			Chief of Multifamily

1. SOURCES OF FUNDS DURING CONSTRUCTION:

		Enter the total Loan Amount Here	Notes/Memo		
a)	Other Lender Construction Loan (4)		Webster Bank	$	22,200,000
b)	LIHTC Equity (170)	$17,259,887	Install #1	$	4,314,972
c)	LIHTC Equity (170)		Partial Install #2- 12/2024	$	1,445,659
d)	Municipal HOME Funds (60)	$500,000	Twp of Verona	$	500,000
e)	County HOME Funds (37)	$1,925,000	Essex County	$	1,732,500
f)				$	
g)				$	
h)	**Deferred Developer's Fee**			$	850,594

TOTAL SOURCES OF CONSTRUCTIONS FUNDS: $ 31,043,725

2. USES of FUNDS DURING CONSTRUCTION:

			% of Cons't Cost OR Cost/Unit	
A. ACQUISITION COSTS:				
a) Land	@ ($ per Acre)	$		
b) Building Acquisition	**Should be between $15,000 & $25,000 per units**			
c) Relocation				
d) Other:				
B. CONSTRUCTION COSTS	**Total Acquisition as a percent of Total Project Costs:**			
a) Demolition		$		
b) Off-site Improvements				
c) Residential Structures (including all on-site improvement)		19,735,255		
d) Community Building				
e) Environmental Clearances				
f) Surety & Bonding	**should be between .75% and 2% of Construction Costs**	102,000	0.44%	
g) Building Permits		147,250		
h) Garage Parking	**garage should be approx $15,000/space; parking lot around $700/space**			
i) General Requirements	**should be about 6% of construction costs**	1,184,115	5.83%	
j) Contractor Overhead & Profit	**-should not exceed 8% of construction costs - usually 2% for Overhead & 6% for Profit**	1,578,820	7.77%	
k) Other	General Liab. Insurance	337,473		
l) Other	**Total Cons't Costs as a percent of Total Project Costs: 74.96%**			
				23,084,913
C. DEVELOPERS FEE - CONSTR/REI	5.52% — **HMFA Policy is that the Developer fee is earned as a percentage of construction completion.**	1,639,505		
DEVELOPERS FEE - BUILDING				1,639,505
D. CONTINGENCY	**Non-Deferred Amt:** $1,427,659 **4.81%**			
	Non-Deferred Amt on Building Acq Not to Exceeed 2% :			
a) Hard Costs 5.000%	**5% for New Construction & 10% for Rehabilitation**	1,154,246		
b) Soft Costs 0.167%	**should be a Maximum of 5%**	8,611		1,162,857
E. PROFESSIONAL SERVICES				
a) Appraisal & Market Study		$ 18,000		
b) Architect		785,350		
c) Site Engineer		207,000		
d) Attorney		515,500		
e) Cost Certification/Audit	**- should not exceed $35,000**	35,000		
f) Environmental Consultant		60,000		
g) Historical Consultant				
h) Geotechnical Consultant		35,555		
i) Green Consultant		54,224		
j) Professional Planner		108,000		
k) Surveyor		26,000		
l) Other	**Total Professional fees as a % of Total Project Costs: 6.20%**	159,000		2,003,629
F. PRE-OPERATIONAL EXPENSES *	*** Non-eligible costs in TC basis**			
a) Operator fees (pre-construction completion) *	**Should not exceed $250 per unit**	$		
b) Advertising and Promotion (pre-construction completion)*		45,000		
c) Staffing and Start-up Supplies (pre-construction completion)*				
d) Other: *				
e) Other: *	**Total Pre Opt Costs as a % of Total Project Costs: 0.14%**			45,000
G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION	**(percentage of total development costs)**		9.61%	
a) Interest @ 8.6660 % for (24 mos.) on $ 11,100,000		1,923,843		
b) R.E. Tax $ (per annum) x 2.00 Yrs.				
c) Insurance $ 62,500 (per annum) x 2.00 Yrs.		125,000		
d) Title Insurance and Recording Expenses		93,880		
e) Utility Connection Fees		246,473		
f) Other Lender's Points				
g) Other Lender Construction Financing Fee		164,250		
h) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the time the Development is under construciton, these costs should be accounted for during the construction period.	176,122		
i) Negative Arbitrage **(if Bonds are sold during Construction**		167,393	(ESTIMATE)	
j) Cost of Issuance **(If Bonds are sold during Construction)**			(ESTIMATE)	
k) Furniture, Fixtures & Equipment (FF&E)		210,860		
	Total Carrying/Fin. Costs as % of Total Project Costs: 9.61%			3,107,821

3. USES OF FUNDS DURING CONSTRUCTION: $ **31,043,725**

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage): $ 0

PERMANENT LOAN CLOSING

5. SOURCES OF FUNDS FOR PERMANENT FUNDING: — **Notes/Memo**

		Notes/Memo		
a)	HMFA 1st Mortgage, NOTE I		$	8,022,214
b)	LIHTC Equity (170)	Partial Install #2- Dec 2024	$	4,767,900
c)	LIHTC Equity (170)	Install #3- August 2025	$	6,542,791
d)	LIHTC Equity (170)	Install #4- November 2025	$	188,565
e)	Money Follows The Person Program (161)		$	375,000
f)	County HOME Funds (37)	Essex County	$	192,500
g)	Additional Funding (194)	HMFA AHGS	$	1,500,000
h)	Additional Funding (194)	HMFA AHPFSA	$	2,540,273
	TOTAL SOURCES FOR PERMANENT CLOSING:		$	24,129,243

6. USES of FUNDS FOR PERMANENT CLOSING:

A. DEVELOPER'S FEE:					$	638,748
B. HMFA Points (to reduce annual servicing fee)""	2.00%	on	$ 8,022,214	160,444		160,444
C. HMFA Second Note Financing Fee ""		on	$			
D. Special Needs Financing Fee ""	3.00%	on	$			
E. CONSTRUCTION LOAN PAYOFF:					$	22,200,000
F. Construction Loan Interest Due(per diem)		on	$		$	
G. Negative Arbitrage **(ESTIMATE)**			(List Daily Amount)			
H. Cost of Issuance **(ESTIMATE)**						
I. Reimbursement of any Indemification Fee not dedicated to other costs						
J. TAX CREDIT FEES						176,122
K. R.E. Taxes due & Payable at Closing						
L. Title Insurance	# of days		(List Daily Amount)			
M. HMFA Loan per diem interest on NOTE I (if applicable)		on	$			
N. Outstanding Payments to Professional & Sub-contractors						
O. Payment and Performance Bond, 30% Warranty Bond, or 10% Letter of Credit						
P. Other Fees:						
Q. ESCROW REQUIREMENTS:	**Total Costs@ PermClosing as%of Total Project Costs:**			3.02%		
1) Working Capital Escrow						
a) Debt Service & Operating Expenses						527,294
b) Rental Agent Rent-up Fee (during Rent-up)						
c) Advertising and Promotion (during Rent-up)						45,000
2) Other Escrows						
a) Insurance (1/2 YR.)					$	40,375
b) Taxes (1 Qtr.)					$	3,463
c) Debt Service Payment & Servicing Fee for 1 Month					$	56,465
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months					$	
e) Repair & Replacement Reserves					$	
f) HMFA Operating Deficit Reserve					$	
g) Other: Syndicator Supportive Services Reserve- Pd w/ 3rd Install					$	281,332
h) Other:	**Total Escrows as a % of Total Project Costs:**			2.95%		
7. USES OF FUNDS FOR PERMANENT CLOSING					$	**24,129,243**
8. BALANCE NEEDED TO CLOSE (overage / shortage):					$	**(0)**
9. TOTAL PROJECT COSTS					$	**32,334,220**
10. MAXIMUM MORTGAGE LOAN	24.81 % of Item 10				$	8,022,214

11. 55% of Basis Test:

Aggregate Basis:	$	**30,831,332**
55% of Basis (estimated):		**16,957,233**
Less 1st Mtg., 1st Note:		
Equals 1st. Mtg., 2nd Note Needed:		**16,957,233**

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IFAPPLICABLE) — **List Source**

Interest @ ________ (________) mos.

Principal $ ________

$ ________

Total $ ________

$ / $ / $ / Total $ / $

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: ______________________________ By: ______________________________

(Developer or Authorized Signatory) NJHMFA Executive Director or Designee

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s).

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity:	Verona LIHTC Urban Renewal LLC	HMFA#	07767		
Dev. Name:	Verona Flats aka Apartments at Verona	Prepared by:	Tiani Norris		04/09/25
		Reviewed by:			
			(Director of Asset Management)		Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	1,900
Telephone	8,878
Dues & Sub.	2,375
Postage	950
Insp. & Other Fees	
Advertising	13,751
Legal Services	4,750
Auditing (Year End)	18,925
Soc. Serv. Suppl.	
Misc. Adm. Expenses	3,921
Bookkeeping/Accounting	
and/or Computer Charges	9,484
Other:	
TOTAL $	64,934

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent		25,000
Janitorial	1	30,007
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin	1	100,000
Maintenance		
Other Salaries:		
Empl. Benefits		35,402
Empl. Payroll Taxes		15,500
Worker's Comp.		3,540
Other:		
TOTAL $	2.00	209,449

III. MAINTENANCE AND REPAIRS

Masonary	4,250
Carpentry	2,250
Plumbing	5,000
Electrical	2,000
Kitchen Equipment	2,000
Elevator	3,000
Windows & Glass	2,000
Vehicles & Equip.	3,000
Snow Removal	6,175
Grounds & Landscaping	6,175
Paint & Dec. Supl.	750
Small Equip. & Tools	500
Janit. Sup. & Tools	5,700
HVAC Supplies	200
Misc. Maint. Suppl.	4,490
Other:	
TOTAL $	47,490

IV. MAINTENANCE CONTRACTS

Security	6,000
Elevator	10,800
Rubbish Removal	16,092
Heating & AC Maint.	5,250
Grounds, Parking & Landscaping	13,000
Exterminating	7,850
Cyclical Apt. Painting	11,083
Other:	
TOTAL $	70,075

V. UTILITY EXPENSE

Water Charges	57,000
Sewer Charges	51,420
Electricity	12,350
Gas	1,900
Fuel	
Less Solar Energy Savings	
TOTAL $	122,670

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	$	1,587,110			
Less Vacancy	(-)	79,355			
Less Utilities (if applicable)	(-)	122,670			
Gross Sheltered Rents	$	1,385,084			
x Rate	x	1.00 %			ACTUAL TAXES
Real Estate Taxes	$	13,851	OR		IF NO P.I.L.O.T.

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SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	8,022,214	HMFA #	07767
Mortgage Interest Rate	7.25 %	Prepared by:	Tiani Norris	04/09/25
Term (years)	32 Yrs.	Reviewed by:	
Amortization (Y,S,M)	M		Date
FMR Area	Essex (13)		

The Interest rate has been reduced by: ______ **basis points as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.**

Date of Income Limits Chart Used: 04/01/24
Date of Utility Chart Used: Innova

ANTICIPATED GROSS RENTS:

No. of Bedrooms	No. of Units	% AMI	Gross Rent	Subsidy Type, if applicable	Subsidy Amount	Allowance for Tenant Paid Utilities***	Net Rent	Monthly	Annual
1	1	20% AMI	489			79	410	410	4,920
1	2	20% AMI	1,223			79	1,144	2,288	27,456
1	3	20% AMI	1,223			79	1,144	3,432	41,184
1	4	47.5 AMI	1,161			79	1,082	4,329	51,954
1	1	57.5 AMI	1,406			79	1,327	1,327	15,922
1	1	57.5 AMI	1,406			79	1,327	1,327	15,922
1	4	57.5 AMI	1,406			79	1,327	5,307	63,690
2	2	20% AMI	587			98	489	977	11,724
2	2	30% AMI	880			98	782	1,564	18,762
2	12	47.5 AMI	1,393			98	1,295	15,539	186,470
2	10	47.5 AMI	1,393			98	1,295	12,949	155,392
2	11	57.5 AMI	1,686			98	1,588	17,470	209,640
2	8	57.5 AMI	1,686			98	1,588	12,705	152,465
2	4	57.5 AMI	1,686			98	1,588	6,353	76,233
2	4	57.5 AMI	1,686			98	1,588	6,353	76,233
3	1	20% AMI	678			134	544	544	6,525
3	1	20% AMI	678			134	544	544	6,525
3	1	30% AMI	1,017			136	881	881	10,567
3	11	47.5 AMI	1,610			136	1,474	16,210	194,522
3	12	57.5 AMI	1,949			136	1,813	21,750	261,004
TOTALS	**95**							**132,259**	

Anticipated Annual Gross Rents **1,587,110**

* Indicate on a separate line which apartment is for the Superintendent.
If it's rent-free, put $0 in the Rent column.

** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income. **NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.**
Low Income - 50% or less of median income
Moderate Income - 50% to 80% of median income
Market Income - 80%+ of median income
NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom

*** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:		(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	X	Heat	Electric	Individual	Yes
Refrigerator	X	Hot Water	Electric	Individual	Yes
Air Conditioning	X	Cooking	Electric	Individual	Yes
Laundry Facilities		Air Conditioning	Electric	Individual	Yes
Disposal		Household Electric		Individual	Yes
Dishwasher	X	Water		Master Metered	No
Carpet	X	Sewer		Master Metered	No
Drapes	X	Parking			
Swimming Pool		Other:			
Tennis Court		Other:			
Other:					

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart		**Utility Company Estimates**	
HUD Utility Schedule Model		**Energy Consumption Model**	X

COMMERCIAL SPACE
(Include all utility costs associated with the commercial space in your description)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: Verona LIHTC Urban Renewal LLC
Dev. Name: Verona Flats aka Apartments at Verona

HMFA# 07767
Prepared by: Tiani Norris 04/09/25
Reviewed by:
(Director of Asset Management - Expenses Only) Date

RENTAL INCOME

Apartment Rents			$ 1,587,110
Vacancy Loss	(5.00 %)	-	79,355
NET APT. RENTS			1,507,754
Commercial Income		per Sq. Ft.	$
Garage & Parking		per Sq. Ft.	
Commercial Vacancy		%	
NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME			$ 1,507,754

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OTHER INCOME			
Laundry Machines		$	
Other:			
TOTAL OTHER INCOME		$	
TOTAL REVENUE			$ **1,507,754**
EXPENSES			
Administrative (Schedule I)		$ 64,934	
Salaries (Schedule II)		209,449	
Maint. & Repa (Schedule III)		47,490	
Maint. Contra (Schedule IV)		70,075	
Utilities (Schedule V)		122,670	
Management I	per unit	77,520	* Should be between $55 & $70 per unit per month
P.I.L.O.T. on Commercial Income(	%)		
Real Estate Ta (Schedule VI)		13,851	
Insurance	$850 per Unit	80,750	**2-Story & below - $500; 3-Story & above - $550**
Reserve for Repair and Replacement	440.00 per unit	41,800	
TOTAL EXPENSES			$ **728,539**
NET OPERATING INCOME			$ **779,215**
DEBT SERVICE			
1. Principal and Interest		$ 645,489	
2. Mortg & Bond Serv Fee	0.40 %	32,089	
3. MIP	%		
4. Debt Service on Other Mortgage Loa	$	$	
AGENCY DEBT SERVICE		$ 677,578	
DEBT SERVICE **NOT** TO BE **CONSIDERED IN DSR**		$	
TOTAL DEBT SERVICE			$ 677,578
NET INCOME			$ **101,637**
Less Return on Equity	(% on $	)	- $
Project Profit/(Loss)			$ **101,637**

DEBT SERVICE RATIO CALCULATION :

$$DSR = \frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}} = \mathbf{1.15000}$$

New Mortgage Amount

8,022,214

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DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

DEVELOPMENT:	Verona Flats aka Apartments at Verona
HMFA #:	07767
LOAN OFFICER:	Tiani Norris
DATE:	4/9/25

Annual % of Rent Increase:	3.00%	
Annual Expense Increase:	4%	
Vacancy:	5.00	$79,355
Commercial Rent Increase:		
Commercial Vacancy:	0.00 %	

Permanent Mortgage (1st Note)		8,022,214
Interest Rate:		7.25
Term:		32
Annual Payment:		645,489
Servicing Fee:	0.400	32,089
MIP:	0.000	0

2nd Note/Mortgage(Amortizing)	
Interest Rate:	0.000000
Term in Years:	0
Annual Payment:	$0.00
Servicing Fee:	$0
	$0

FRM-CDBG	0
Interest Rate Annually:	
First Years Balance:	0

DEVELOPMENT:	Verona Flats aka Apartments at Ve
HMFA #:	07767
LOAN OFFICER:	Tiani Norris
DATE:	4/9/25

Number of Bedrooms	Number of Units	Unit Sq.Ft.	Gross Rent	Target Occupancy	Tenant Paid Utilities	Net. Rent	Monthly Rent	Annual Rent
1	1	734	489	0	79	410	410	4,920
1	2	734	1,223	0	79	1,144	2,288	27,456
1	3	945	1,223	0	79	1,144	3,432	41,184
1	4	734	1,161	0	79	1,082	4,329	51,954
1	1	734	1,406	0	79	1,327	1,327	15,922
1	1	766	1,406	0	79	1,327	1,327	15,922
1	4	807	1,406	0	79	1,327	5,307	63,690
2	2	919	587	0	98	489	977	11,724
2	2	919	880	0	98	782	1,564	18,762
2	12	918	1,393	0	98	1,295	15,539	186,470
2	10	931	1,393	0	98	1,295	12,949	155,392
2	11	931	1,686	0	98	1,588	17,470	209,640
2	8	941	1,686	0	98	1,588	12,705	152,465
2	4	958	1,686	0	98	1,588	6,353	76,233
2	4	964	1,686	0	98	1,588	6,353	76,233
3	1	1,404	678	0	134	544	544	6,525
3	1	1,405	678	0	134	544	544	6,525
3	1	1,332	1,017	0	136	881	881	10,567
3	11		1,610	0	136	1,474	16,210	194,522
3	12		1,949	0	136	1,813	21,750	261,004
Total	95							1,587,110

PILOT Calculation	Year 1	
Rental Income		
Gross Rental Income	1,587,110	
Less: Vacancy	-79,355	
Net Rental Income	1,507,754	
Less: Owner-pd Utilities	-122,670	
Basis for PILOT Calc.	1,385,084	
PILOT Rate	1.00	
PILOT Payment Estimate	$13,851	
Commercial:		**Square Ft.**
Gross Commercial Income	0	17,189
Less: Vacancy	(0.00)	
Net Commercial Income	0	
PILOT Rate	0.00%	
PILOT Payment Estimate	0	

Commercial $/sq. ft.
$0

%

PROJECTIONS		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
RENTAL INCOME												
Apartment Rents		1,587,110	1,634,723	1,683,765	1,734,278	1,786,306	1,839,895	1,895,092	1,951,945	2,010,503	2,070,818	2,132,943
Less Vacancy Loss	5 %	-79,355	-81,736	-84,188	-86,714	-89,315	-91,995	-94,755	-97,597	-100,525	-103,541	-106,647
NET APT. RENTS		1,507,754	1,552,987	1,599,577	1,647,564	1,696,991	1,747,900	1,800,337	1,854,348	1,909,978	1,967,277	2,026,296
Commercial Income	$0	0	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0.00	0	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS		0	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:		**1,507,754**	**1,552,987**	**1,599,577**	**1,647,564**	**1,696,991**	**1,747,900**	**1,800,337**	**1,854,348**	**1,909,978**	**1,967,277**	**2,026,296**
OTHER INCOME												
Laundry Machines	$0	0	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME		0	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE		1,507,754	1,552,987	1,599,577	1,647,564	1,696,991	1,747,900	1,800,337	1,854,348	1,909,978	1,967,277	2,026,296
OPERATING EXPENSES	Yearly Per Unit Cost											
Administrative	$684	64,934	67,531	70,233	73,042	75,964	79,002	82,162	85,449	88,867	92,421	96,118
Salaries and Benefits	$2,205	209,449	217,827	226,540	235,602	245,026	254,827	265,020	275,621	286,645	298,111	310,036
Maintenance & Repairs	$500	47,490	49,390	51,365	53,420	55,557	57,779	60,090	62,494	64,993	67,593	70,297
Maintenance Contracts	$738	70,075	72,878	75,793	78,825	81,978	85,257	88,668	92,214	95,903	99,739	103,729
Utilities	$1,291	122,670	127,577	132,680	137,987	143,507	149,247	155,217	161,425	167,882	174,598	181,582
Management Fee 0.00	$77,520	77,520	79,846	82,241	84,708	87,249	89,867	92,563	95,340	98,200	101,146	104,180
PILOT on Housing 1.00	$146	13,851	14,254	14,669	15,096	15,535	15,987	16,451	16,929	17,421	17,927	18,447
Insurance	$850	80,750	83,980	87,339	90,833	94,466	0	0	0	0	0	0
Replacement Reserves	$440	$41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800
PILOT on Comm.	$0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES		728,539	755,083	782,660	811,312	841,081	773,765	801,971	831,272	861,712	893,335	926,188
Total Per Unit Cost		7,669	7,948	8,239	8,540	8,853	8,145	8,442	8,750	9,071	9,404	9,749
Expense/Income Ratio		0.48	0.49	0.49	0.49	0.50	0.44	0.45	0.45	0.45	0.45	0.46
INCOME AVAIL. FOR DEBT		779,215	797,904	816,916	836,251	855,910	974,135	998,367	1,023,076	1,048,266	1,073,942	1,100,107
Debt Service-1st Mortgage		677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578
Debt Service-2nd Note		0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578
Debt Service Ratio		1.15	1.18	1.21	1.23	1.26	1.44	1.47	1.51	1.55	1.58	1.62
DSR from Operations and Reserve		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service		101,637	120,326	139,338	158,673	178,331	296,557	320,789	345,498	370,688	396,364	422,529
MFP	16.67 %	16,943	20,058	23,228	26,451	29,728	49,436	53,475	57,594	61,794	66,074	70,436
AHPFSA	16.67 %	16,943	20,058	23,228	26,451	29,728	49,436	53,475	57,594	61,794	66,074	70,436
AHGS	16.67 %	16,943	20,058	23,228	26,451	29,728	49,436	53,475	57,594	61,794	66,074	70,436
Remaining Cash Flow		50,808	60,151	69,655	79,321	89,148	148,249	160,362	172,714	185,307	198,142	211,222
											404,781	
OPERATING RESERVE:												
Beginning Reserve Balance			0	0	0	0	0	0	0	0	0	0
Interest Income		0	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow		0	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance		0	0	0	0	0	0	0	0	0	0	0

PROJECTIONS	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
RENTAL INCOME										
Apartment Rents	2,196,931	2,262,839	2,330,724	2,400,646	2,472,665	2,546,845	2,623,251	2,701,948	2,783,007	2,866,497
Less Vacancy Loss	-109,847	-113,142	-116,536	-120,032	-123,633	-127,342	-131,163	-135,097	-139,150	-143,325
NET APT. RENTS	2,087,085	2,149,697	2,214,188	2,280,614	2,349,032	2,419,503	2,492,088	2,566,851	2,643,856	2,723,172
Commercial Income	0	0	0	0	0	0	0	0	0	0
Garage & Parking	0	0	0	0	0	0	0	0	0	0
Less Commerical Vacancy	0	0	0	0	0	0	0	0	0	0
NET COMMERCIAL RENTALS	0	0	0	0	0	0	0	0	0	0
TOTAL RENTAL INCOME:	**2,087,085**	**2,149,697**	**2,214,188**	**2,280,614**	**2,349,032**	**2,419,503**	**2,492,088**	**2,566,851**	**2,643,856**	**2,723,172**
OTHER INCOME										
Laundry Machines	0	0	0	0	0	0	0	0	0	0
Other:	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER INCOME	0	0	0	0	0	0	0	0	0	0
TOTAL REVENUE	2,087,085	2,149,697	2,214,188	2,280,614	2,349,032	2,419,503	2,492,088	2,566,851	2,643,856	2,723,172
OPERATING EXPENSES										
Administrative	99,963	103,961	108,120	112,445	116,942	121,620	126,485	131,544	136,806	142,278
Salaries and Benefits	322,437	335,335	348,748	362,698	377,206	392,294	407,986	424,305	441,277	458,929
Maintenance & Repairs	73,109	76,033	79,074	82,237	85,527	88,948	92,506	96,206	100,054	104,056
Maintenance Contracts	107,878	112,193	116,681	121,348	126,202	131,250	136,500	141,960	147,638	153,544
Utilities	188,845	196,399	204,255	212,425	220,922	229,759	238,949	248,507	258,447	268,785
Management Fee	107,306	110,525	113,841	117,256	120,774	124,397	128,129	131,973	135,932	140,010
PILOT on Housing	18,982	19,533	20,099	20,682	21,281	21,897	22,531	23,183	23,854	24,544
Insurance	0	0	0	0	0	0	0	0	0	0
Replacement Reserves	41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800
PILOT on Comm.	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENSES	960,319	995,779	1,032,617	1,070,890	1,110,653	1,151,965	1,194,885	1,239,478	1,285,809	1,333,946
Total Per Unit Cost	10,109	10,482	10,870	11,273	11,691	12,126	12,578	13,047	13,535	14,042
Expense/Income Ratio	0.46	0.46	0.47	0.47	0.47	0.48	0.48	0.48	0.49	0.49
INCOME AVAIL. FOR DEBT	1,126,765	1,153,919	1,181,571	1,209,723	1,238,379	1,267,538	1,297,203	1,327,372	1,358,047	1,389,226
Debt Service-1st Mortgage	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578
Debt Service-2nd Note	0	0	0	0	0	0	0	0	0	0
Total Debt Service	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578
Debt Service Ratio	1.66	1.70	1.74	1.79	1.83	1.87	1.91	1.96	2.00	2.05
DSR from Operations and Reserve	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CASH FLOW After Debt Service	449,187	476,340	503,992	532,145	560,801	589,960	619,624	649,794	680,469	711,648
MFP	74,879	79,406	84,016	88,709	93,485	98,346	103,291	108,321	113,434	118,632
AHPFSA	74,879	79,406	84,016	88,709	93,485	98,346	103,291	108,321	113,434	118,632
AHGS	74,879	79,406	84,016	88,709	93,485	98,346	103,291	108,321	113,434	118,632
Remaining Cash Flow	224,549	238,123	251,946	266,019	280,344	294,921	309,750	324,832	340,166	355,753
				802,226						
OPERATING RESERVE:										
Beginning Reserve Balance	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0
Less Neg. Cash Flow	0	0	0	0	0	0	0	0	0	0
Ending Reserve Balance	0	0	0	0	0	0	0	0	0	0

DRAFT - for discussion purposes only and subject to change

MULTIFAMILY CASH FLOW

erona

Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
2,952,492	3,041,066	3,132,298	3,226,267	3,323,055	3,422,747	3,525,430	3,631,192	3,740,128
-147,625	-152,053	-156,615	-161,313	-166,153	-171,137	-176,271	-181,560	-187,006
2,804,867	2,889,013	2,975,684	3,064,954	3,156,903	3,251,610	3,349,158	3,449,633	3,553,122
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,804,867	**2,889,013**	**2,975,684**	**3,064,954**	**3,156,903**	**3,251,610**	**3,349,158**	**3,449,633**	**3,553,122**
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,804,867	2,889,013	2,975,684	3,064,954	3,156,903	3,251,610	3,349,158	3,449,633	3,553,122
147,970	153,888	160,044	166,446	173,103	180,028	187,229	194,718	202,507
477,286	496,377	516,232	536,881	558,357	580,691	603,919	628,075	653,198
108,219	112,547	117,049	121,731	126,601	131,665	136,931	142,408	148,105
159,685	166,073	172,716	179,624	186,809	194,282	202,053	210,135	218,541
279,536	290,718	302,347	314,441	327,018	340,099	353,703	367,851	382,565
144,210	148,536	152,992	157,582	162,310	167,179	172,194	177,360	182,681
25,253	25,983	26,733	27,505	28,299	29,115	29,955	30,818	31,706
0	0	0	0	0	0	0	0	0
41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800	41,800
0	0	0	0	0	0	0	0	0
1,383,959	1,435,923	1,489,914	1,546,011	1,604,297	1,664,858	1,727,783	1,793,166	1,861,102
14,568	15,115	15,683	16,274	16,887	17,525	18,187	18,875	19,591
0.49	0.50	0.50	0.50	0.51	0.51	0.52	0.52	0.52
1,420,908	1,453,090	1,485,770	1,518,943	1,552,606	1,586,752	1,621,375	1,656,467	1,692,020
677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578
0	0	0	0	0	0	0	0	0
677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578	677,578
2.10	2.14	2.19	2.24	2.29	2.34	2.39	2.44	2.50
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
743,330	775,512	808,192	841,365	875,028	909,174	943,797	978,889	1,014,442
123,913	129,278	134,726	140,256	145,867	151,559	157,331	163,181	169,107
123,913	129,278	134,726	140,256	145,867	151,559	157,331	163,181	169,107
123,913	129,278	134,726	140,256	145,867	151,559	157,331	163,181	169,107
371,591	387,678	404,015	420,598	437,426	454,496	471,804	489,347	507,119
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0

Apartments at Verona **August 6, 2020**
Township of Verona, Essex County
HMFA #03521
Developer: PIRHL Developers, LLC
# of Units: 95 / 5 units for homeless individuals and 5 units for individuals coming out of nursing homes
Population: Family

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

<u>Action Requested</u>:

Approval of a conditional mortgage commitment from the Agency Revenue Bond Financing Program upon the terms and conditions set forth below pursuant to the Multifamily Programs and Lending Guidelines.

<u>Issues, Comments and Related Actions</u>:

New Issues

Agency staff recommends approval of the below-listed project for a conditional mortgage loan commitment from the Agency Revenue Bond Financing Program. The project is applying for 9% Low Income Housing Tax Credits in the September 2020 round, and has satisfied the eligibility criteria listed in the Multifamily Programs and Lending Guidelines. If awarded a 9% tax credit allocation, the project shall undergo continued Agency staff underwriting review, and shall be presented to the Agency Board for recommendation of a re-commitment upon staff approval of the loan underwriting.

Project Name: Apartments at Verona

Project HMFA #03521

Project Address: 100 Pine Street

Project City & County: Township of Verona, Essex County

Developer's Name: PIRHL Developers, LLC

Total # of Units: 95, including 5 units set-aside for homeless individuals and 5 units set-aside for individuals coming out of nursing homes

Population: Family

Type of Financing: 9% Tax Credits Traditional, Permanent Financing, MFPHPP

Loan Amount Seeking for all Administered HMFA loans: Note I $6,769,626 & MFP $375,000

Collateral: First mortgage lien on Project real estate and security interest in personal property included in the Project.

Repayment: First mortgage loan will be repaid from Project Revenues.

Source of loan funds: Taxable bonds, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.

Underwriting parameters: The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) debt service ratio, 2) term of mortgage, 3) interest rate, 4) income and expense projections, and 5) sources and uses of project development funds. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage amount the Project can sustain, the Executive Director is authorized to adjust the mortgage amount stated above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or final risk assessment dictates a revised debt service coverage ratio, the mortgage loan amount shall be adjusted commensurately to an amount that would keep the debt service ratio at the Agency determined appropriate ratio

Condition:

1. If the Project is not awarded 9% tax credits in the September 2020 round, this commitment shall be null and void

Exhibit A

Verona Flats aka Apartments at Verona **August 11, 2022**
Verona, Essex County
HMFA #07767
Developer: PIRHL Developers, LLC
# of Units: 95 (including 5 units set-aside for individuals coming out of nursing homes and 5 units set-aside for the homeless individuals)
Population: Family

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Actions Requested:

1. Approval of a conditional mortgage commitment from the Agency Revenue Bond Financing Program upon the terms and conditions set forth below pursuant to the Multifamily Underwriting & Financing Guidelines and Policy.

2. Approval of a conditional subsidy mortgage loan commitment from the Money Follows the Person Housing Partnership Program ("MFPHPP") for five units, upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

New Issues

The Project was awarded 9% Low Income Housing Tax Credits in Family Cycle of the September 2020 round.

Agency staff recommends approval of the below-listed project for a conditional mortgage loan commitment from the Agency Revenue Bond Financing Program. The project is applying for 9% Low Income Housing Tax Credits in the Family Cycle of the August 2022 round, and has satisfied the eligibility criteria listed in the Multifamily Underwriting & Financing Guidelines and Policy. If awarded a 9% tax credit allocation, the project shall undergo continued Agency staff underwriting review, and shall be presented to the Agency Board for recommendation of a re-commitment upon staff approval of the loan underwriting.

Project Information

Project Name: Verona Flats aka Apartments at Verona

Project: HMFA #07767

Project Address: 1, 3, 5 Linn Drive

Exhibit A

Project City & County: Verona, Essex County

Developer's Name: PIRHL Developers, LLC

Total # of Units: 95 units, including 5 units set-aside for individuals coming out of nursing homes and 5 units set-aside for the homeless individuals

Population: Family

Tax Credit Cycle: Family Cycle

Type of Financing: 9% Tax Credits Traditional, Permanent Financing, MFPHPP.

Loan Amount Seeking for all Administered HMFA loans: Note 1 $7,828,674, MFPHPP $375,000.

Collateral:	First mortgage lien on Project real estate and security interest in personal property included in the Project.
Repayment:	First mortgage loan will be repaid from Project Revenues.
Source of loan funds:	Taxable bonds, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.
Underwriting parameters:	The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) debt service ratio, 2) term of mortgage, 3) interest rate, 4) income and expense projections, and 5) sources and uses of project development funds. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage amount the Project can sustain, the Executive Director is authorized to adjust the mortgage amount stated above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or final risk assessment dictates a revised debt service coverage ratio, the mortgage loan amount shall be adjusted commensurately to an amount that would keep the debt service ratio at the Agency determined appropriate ratio.

<u>Conditional Mortgage Loan Commitment Condition:</u>

1. A commitment fee of $50,000 is due August 25, 2022. If the fee is not received within this timeframe, this commitment will be null and void. If the commitment fee is received within the above-listed timeframe, this commitment will expire on

August 31, 2023; however, if the Project is not awarded 9% Tax Credits in the August 2022 round, this commitment shall be null and void.

Verona Flats aka Apartments at Verona **December 15, 2022**
Verona, Essex County
HMFA #07767
Developer: PIRHL Developers, LLC
# of Units: 95 (including 5 units set-aside for individuals coming out of nursing homes and 5 units set-aside for the homeless individuals)
Population: Family

REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a subsidy mortgage loan commitment for an estimated $1,500,000 from the Affordable Housing Gap Subsidy Program ("AHGS") for the Project, upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

Agency staff recommends approval of the below-listed project for a subsidy mortgage loan commitment from the AHGS Program. The project has satisfied the eligibility criteria listed in the AHGS Program Guidelines. Based on the selection criteria, the project ranks sufficiently high enough to qualify for an award from the second cycle of applications. Projects eligible to receive AHGS assistance are rental housing projects that received an award of 70% present value credits ("9% credits"), pursuant to Section 42(b)(1)(B)(i) of the Internal Revenue Code ("IRC"), as well as projects receiving funding from other programs, such as the 4% federal Low Income Housing Tax Credit Program, the federal New Markets Tax Credit Program, and the New Jersey Affordable Housing Trust Fund. Eligible projects must have experienced a COVID-19 induced funding gap and have received a tax credit reservation or funding commitment from their respective program by November 30, 2021. AHGS funds awarded under this program are for permanent take out financing only. It is anticipated that this project will receive a commitment for Multifamily Revenue Bond financing at a future Agency Board meeting.

Project Information

Project Name: Verona Flats aka Apartments at Verona

Project HMFA #07767

Project Address: 1, 3, 5 Linn Drive

Project City & County: Verona, Essex County

Developer's Name: PIRHL Developer, LLC

Exhibit A

Total # of Units: 95 (including 5 units set-aside for individuals coming out of nursing homes and 5 units set-aside for homeless individuals and families)

Population: Family

Type of Financing:	Affordable Housing Gap Subsidy Program
Cash Flow Loan:	The mortgage is currently estimated to be $1,500,000 at an 1% interest rate for an estimated term of 30 years. Repayment shall be in the amount of 50% of the project's available cash flow remaining after the payment of operating expenses, required reserves (if applicable) and amortized mortgage debt service and at the earlier of 10 years or the payment of the deferred developer's fee (if applicable). Upon maturity of the loan or upon expiration of the affordability controls, whichever comes first, the balance of any unpaid principal balance, together with all accrued interest thereon, shall become due and payable. The Agency may require the developer to submit annual financial statements to document the project's available cash flow.
Collateral:	AHGS subsidy loan shall be secured by a note and mortgage as required by NJSA 55:14K-1 et., seq.as may be amended from time to time.
Repayment:	First mortgage loan will be repaid from Project Revenues.
Source of loan funds:	Coronavirus State and Local Fiscal Recovery Fund ("SLFRF")
Underwriting parameters:	The subsidy mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) debt service ratio, 2) term of mortgage, 3) interest rate, 4) income and expense projections, and 5) sources and uses of project development funds. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage amount the Project can sustain, the Executive Director is authorized to adjust the mortgage amount stated above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or final risk assessment dictates a revised debt service coverage ratio, the mortgage loan amount shall be adjusted commensurately to an amount that would keep the debt service ratio at the Agency determined appropriate

ratio.

This commitment will expire on December 31, 2024; however, the Executive Director is hereby authorized to extend the commitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

Mortgage Loan Commitment Condition:

1. Satisfactory compliance with the Agency's Affordable Housing Gap Subsidy Program Guidelines dated January 13, 2022, as may be amended.

2. Compliance with the federal requirements of the SLFRF funds.

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Agency's Affordable Housing Gap Subsidy Program Guidelines dated January 13, 2022, as may be amended.

Apartments at Verona aka Verona Flats **May 4, 2023**
Township of Verona, Essex County
HMFA #07767
Developer: PIRHL Developers, LLC
# of Units: 95 units (including 5 units for homeless individuals and 5 units for individuals coming out of nursing homes)
Population: Family

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Actions Requested:

1. Approval of a mortgage commitment for an estimated $7,293,000 in permanent only financing from the Agency Revenue Bond Financing Program for a project known as Apartments at Verona, HMFA #07767 (the "Project"), upon the terms and conditions set forth below.

2. Approval of a mortgage commitment for an estimated $375,000 in permanent only financing from the Money Follows the Person Housing Partnership Program ("MFP") for the Project.

3. Approval of a subsidy mortgage loan commitment for an estimated $2,541,000 in permanent financing from the Affordable Housing Production Fund Set Aside ("AHPFSA") Program for the Project, pursuant to the AHPFSA Program Guidelines.

Issues, Comments and Related Actions:

Apartments at Verona was awarded 9% Low Income Housing Tax Credits ("LIHTC") for the September 2020 round after an appeal was filed and then Apartments at Verona received a supplementary award of 9% LIHTC on December 15, 2022.

The Project received a subsidy mortgage loan commitment from the Affordable Housing Gap Subsidy Program ("AHGS") at the December 15, 2022 Board Meeting. The AHGS Program provides that to be eligible for funding, projects must have been awarded 9% credits through the calendar year 2020, and owners/developers must show that due to COVID-19 the per units cost exceeds the per unit cap, and must provide backup for specific construction categories affected by COVID-19, including but not limited to: materials, equipment purchasing, appliances, union/labor requirements, specific personal protective equipment needs, etc.

On June 30, 2022, the HMFA Board approved a request to waive limits on Total Development Costs as set forth at N.J.A.C. 5:80-33.4(a), 33.5(a), 33.6(a), 33.7(a) and 33.8(a)2 as a result of the COVID-19 pandemic for 9% projects. The Developer has provided written justification with backup documentation for the increase in Total Development Costs since application. The Developer has also provided cost backup for specific construction categories affected by COVID-19, including but not limited to: materials, equipment purchasing, appliances, union/labor requirements, specific PPE needs, etc. in order to be eligible for the waiver.

The Sponsor anticipates construction to begin in June 2023 with anticipated completion in October 2024.

Prior Board Approval

On August 6, 2020, the Agency Board approved a conditional commitment for permanent financing.

On August 11, 2022, the Agency Board approved a conditional commitment for permanent financing.

On December 15, 2022, the Agency Board approved a mortgage recommitment for the Affordable Housing Gap Subsidy Program for permanent financing.

The Applicant / Developer

PIRHL Developers, LLC, located in Hamilton, NJ and Cleveland, Ohio, is the applicant for the Project's financing and will also act as the developer for the Project.

PIRHL is a full-service developer, general contractor and owner of single-family and multi-family housing. To date, the company has developed 60 properties and over 6,287 units, serving clients in the following regions: Midwest, Mid-Atlantic and Southeast. Projects that PIRHL Developers, LLC has completed are: Library Court, in Shaker Heights, Ohio; Church Square Commons, in Cleveland, Ohio; Greenway Senior Housing, in Ashtabula, Ohio and Maple Garden Apartments, in Uniontown, Pennsylvania. Projects that PIRHL Developers, LLC has completed with the Agency are Wemrock Senior Living HMFA #03268 and Apartments at Montgomery. A third and fourth project, Apartments at Warren and Princeton Senior Living are currently under construction.

The Sponsor/Borrower

The applicant for the Project's financing will form a limited liability company known as Verona LIHTC Urban Renewal LLC, such entity also to be known as the "Sponsor" and/or "Borrower." PIRHL Verona MM LLC will be the managing member of and will hold 0.01% ownership interest in Verona LIHTC Urban Renewal LLC. Riverside Housing Partnership II 2019, LLC will hold 99.989% ownership interest and Riverside Manager, LLC will hold 0.001% ownership interest in Verona LIHTC Urban Renewal LLC.

Exhibit A

General Contractor

Conifer LeChase Construction is the general contractor for the Project, with extensive experience with the Agency. Agency projects completed with this general contractor include Linden Lake Senior Apartments HMFA #01472, Edgewood Senior Phase I HMFA#01436 and Phase II HMFA # 01484, Sharp Road HMFA #02265, Conifer Village at Deptford HMFA #02400, Medford Senior Residence HMFA #02401 and Harding Homes #02982. To date, the contractor has completed work on time and within budget.

Acquisition

PIRHL Developers, LLC and the Township of Verona entered into a Redevelopment Agreement dated January 9, 2020, to acquire the property for $0. The Township of Verona and PIRHL Developers, LLC subsequently entered into a First Amendment to the Redeveloper Agreement dated September 3, 2020.

Per the appraisal report dated March 1, 2022, the land value of the property is $3,135,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed Project, $0 is recognized for acquisition costs.

The Project

The Project will consist of the new construction of three low-rise 3 and 4 story buildings located at 1, 3, 5 Linn Drive in the Township of Verona, Essex County, block 2301 and Lots 11, 12, 14-19. The Project will be a family facility with 95 units. For Special Needs purposes, 5 units will be set aside for homeless adults and 5 units will be set aside for individuals 18 years or older coming out of nursing homes and capable of independently living in the community.

The development will offer 16 one-bedroom, 53 two-bedroom and 26 three-bedroom apartments. The units will range in size between 734 to 1,405 square feet. Unit amenities will include open floor plans, modern kitchens with Energy-Star appliances and balconies. Additionally, the development will feature outdoor play areas and walking paths. The development will include management services and an onsite community room for the residents for uses such as resident support spaces, social gatherings, and resident activities. There will be 143 total parking spaces for the residents. A social services room will be provided on the ground floor of the development to accommodate health and wellness needs.

The Apartments at Verona will be situated on an approximately 4.15-acre site at the intersection of Bloomfield Avenue, Linn Drive, and Pine Street in Verona (Essex County), NJ. The proposed project will be strategically located near a growing commercial corridor along Bloomfield Avenue. Apartments at Verona will be very proximate to numerous amenities: a community center, public parks, public schools, daycare facilities, bank, medical offices, and several retail offerings and community assets are all located within 1 mile of the property and a quality grocer and retail plaza are located within 1.5 miles of the property. Additionally, the property is immediately proximate to a bus stop that is served by New Jersey Transit Line 29 and is also within 2.5 miles of the Upper Montclair Train Station. These transit options will provide residents of Apartments at Verona with convenient and reliable access to amenities and employment opportunities across the region.

The property will be managed by Conifer Management, LLC.

For Special Needs purposes, five (5) units will be set aside for homeless individuals and five (5) units will be set aside for individuals coming out of nursing homes.

For tax credit purposes, the Sponsor will select the 40% at 60% set aside**.**

Utilities

Heat, hot water, air conditioning, cooking and household electric will be serviced by electricity, individually metered, and paid by the tenant. Water and sewer will be master metered and paid by the Project.

Market Analysis

The Project will likely draw its potential residents from Essex County and the nearby market area. The capture rate, defined as the total potential market for a type of property that is currently absorbed by existing facilities in the primary market area, is 0.02%. The projected absorption for the Project is 6 months post completion. The capitalization rate, the ratio between the net operating income and the current value of the property, is 4.50%, as per the appraisal report dated March 1, 2022.

Operations

Five Section 811 Project-Based Rental Assistance vouchers have been committed for the 5 MFP Units.

Agency Financing

The Agency will provide a permanent loan from the Agency Revenue Bond Financing Program in the estimated amount of $7,292,292, at an estimated annual interest rate of 7.05%, with an estimated term of 32 years. The loan will be secured by a first mortgage lien on the property.

The Agency will provide a subordinate permanent only loan from the MFPHPP in an estimated amount of $375,000, at an estimated annual interest rate of 0%, with an estimated term of 32 years. This loan will be repaid with a pro-rata share of fifty percent (50%), estimated at 16.67%, of the Project's cash flow remaining at the earlier of 10 years or the repayment of deferred developer's fee. This mortgage will be secured by a subordinate lien on the property.

The Agency will provide a subordinate permanent only loan from the AHGS in an estimated amount of $1,500,000, at an estimated annual interest rate of 1%, with an estimated term of 32 years. This loan will be repaid with a pro-rata share of fifty percent (50%), estimated at 16.67%, of the Project's cash flow remaining at the earlier of 10 years or the repayment of deferred developer's fee. This mortgage will be secured by a subordinate lien on the property.

The Agency will provide permanent loan financing from the Affordable Housing Production Fund Set Aside ("AHPFSA") Program. The loan is currently estimated to be $2,540,273 at an estimated 1% interest rate for an estimated term of 32 years. This loan will be repaid with a pro-rata share of fifty percent (50%), estimated at 16.67%, of the Project's cash flow remaining at the earlier of 10 years or the repayment of deferred developer's fee. This mortgage will be secured by a subordinate lien on the property.

Escrow Requirements

Working Capital	The Multifamily Program and Lending Guidelines require(s) that a debt service and operating expense reserve be established in the estimated amount of $462,693 to be held by the Agency.
Insurance	The Multifamily Program and Lending Guidelines require(s) that a 1/2-year insurance reserve be established in the amount of $35,000 to be held by the Agency.
Taxes	The Multifamily Program and Lending Guidelines require(s) that a one quarter tax reserve be established in the amount of $3,004 to be held by the Agency.
Debt Service Payment and Servicing Fee for One Month	The Multifamily Program and Lending Guidelines require(s) that a debt service payment and servicing fee reserve of one month be established in the amount of $50,324 to be held by the Agency.
Syndicator Supportive Services Reserve	The LIHTC syndicator has required that a Supportive Services Reserve be established in the amount of $281,332, funded and held by syndicator.

Other Funding Sources

LIHTC	The Sponsor was awarded 9% federal LIHTC and anticipates the sale of the tax credits at $0.98 cents on the dollar. In exchange for the tax credits, the investor, Berkadia Affordable Tax Credit Solutions, is expected to generate equity for the Project in the amount of

	$17,259,887.
Township of Verona Affordable Housing Trust Funds	The Sponsor has received a commitment from the Township of Verona in the amount of $500,000.
Essex County HOME Funds	The Sponsor has received a commitment from the Essex County HOME Funds in the amount of $1,925,000.
Construction Financing	The Sponsor has received a construction commitment from Webster Bank in the amount of $22,200,000 at a rate of 8.6660%, for 24 months.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of $819,753 during construction of which $0 is anticipated to be paid at permanent take-out, leaving $819,753 in the deal. **The deferred portion of the developer fee shall be achieved from cash flow after payment of debt service, operating expenses and funding of all required escrows and reserves. Return on Equity will be achieved after the collection of the deferred developer fee.**

Terms and Conditions

Borrower:	Verona LIHTC Urban Renewal, LLC, such entity to be called below the "Sponsor." This recommitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.
Use of loan funds:	Take-out permanent financing for the new construction of a multifamily rental housing project known as Apartments at Verona, HMFA #07767 (the "Project"). Affordable Housing Gap Subsidy permanent financing for new construction of a project known as Apartments at Verona, HMFA #07767 (the "Project"). Money Follows the Person Partnership Housing Partnership Program permanent financing for new construction of a project known as Apartments at Verona, HMFA #07767 (the "Project").

Affordable Housing Production Fund Set Aside permanent financing for new construction of a project known as Apartments at Verona, HMFA #07767 (the "Project").

Principal: First mortgage loan in the amount of $7,292,292, provided, however, that the Executive Director is authorized to adjust this amount pursuant to the Underwriting Parameters set forth below.

Subordinate Affordable Housing Gap Subsidy mortgage loan in the amount of $1,500,000.

Subordinate Money Follows the Person Partnership Housing Partnership Program mortgage loan in the amount of $375,000.

Subordinate Affordable Housing Production Fund Set Aside mortgage loan in the amount of $2,540,273.

Permanent Interest: First mortgage loan at 7.05%, per annum, provided, however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

Subordinate Affordable Housing Gap Subsidy, at 1% annum, provided however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

Subordinate Money Follows the Person Partnership Housing Partnership Program, at 1% annum, provided however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

Subordinate Affordable Housing Production Fund Set Aside, at 1% annum, provided however, that the Executive Director is authorized to adjust this rate pursuant to the Underwriting Parameters set forth below.

Annual Servicing Fee: Loan is underwritten using an annual servicing fee of 40 Basis points if Borrower pays two points to reduce the servicing fee and the 2% tax credit allocation fee.

Permanent Term: First mortgage loan at 32 years from the date of loan closing.

Subordinate AHGS mortgage loan at 32 years from the date of loan closing.

Subordinate Money Follows the Person Partnership Housing Partnership Program mortgage loan at 32 years.

Subordinate Affordable Housing Production Fund Set Aside mortgage loan at 32 years.

Collateral: First mortgage lien on Project real estate and security interest in personal property included in the Project.

Subordinate AHGS mortgage lien on Project real estate and security interest in personal property included in the Project.

Subordinate MFPHPP mortgage lien on Project real estate and security interest in personal property included in the Project.

Subordinate AHPFSA mortgage lien on Project real estate and security interest in personal property included in the Project.

Repayment: First mortgage loan will be repaid from Project Revenues.

Subordinate AHGS mortgage loan will be repaid from a pro-rata share of 16.67% of the Project's cash flow.

Subordinate MFPHPP mortgage loan will be repaid from a pro-rata share of 16.67% of the Project's cash flow.

Subordinate AHPFSA mortgage loan will be repaid from a pro-rata share of 16.67% of the Project's cash flow.

Source of loan funds: Taxable bonds, AHGS, MFPHPP, AHPFSA, or other funds available to the Agency that are consistent with any LIHTC allocated to the Project.

Underwriting parameters: The mortgage loan amount that a project can sustain is derived from a combination of the following factors: l) the debt service coverage ratio, 2) term of the loan, 3) the interest rate, 4) the income and expense projections, and 5) the sources and uses of project development funds. Using a minimum required debt service coverage ratio of 1.15, a term of 32 years, an interest rate of 7.05% per annum, and the income and expense projections and the sources and uses of project development funds set forth on the attached Form 10, the Project can sustain a mortgage loan amount of $7,292,292. Items 1, 2, 3, 4, and 5 are variable factors, which can change between mortgage loan commitment and closing. As such changes impact the mortgage loan amount that the Project can sustain, the Executive Director is authorized to adjust the mortgage loan amount and factors 1 through 5 above to reflect changes to the variable factors. If projected net operating income changes due to increases or decreases in income and/or expenses or due to changes in the sources and uses of project development funds, or if the Agency's risk assessment dictates a revised minimum debt service coverage ratio, then the mortgage loan amount may be adjusted to an amount that would maintain the Agency-determined appropriate debt service coverage ratio.

The working capital amount is derived through a projection of the 1) completion date of the project, 2) the number of units to be occupied at the time the Agency closes its permanent loan, 3) the actual rents, other income, debt service and operating expenses at time of loan closing, 4) the projected amount of time to rent up the remaining units to reach sustaining occupancy and 5) market conditions as reflected in the appraisal/market study. If the actual factors at the time the Agency makes its loan are different from what is projected in this commitment, Agency staff is hereby authorized to adjust the working capital to reflect the actual factors.

Affordability Controls: For affordability controls, the Sponsor has selected 40% at 60% set-aside, meaning 40% or more of the residential units will be restricted and occupied by households whose income is 60% or less than the AMI.

For purposes of calculating return on equity, 50% of units are projected to be occupied by low-income households (earning less than 50% of AMI), 50% of units are projected to be moderate income households (earning 50% to 80% of AMI) and 0% of units are projected to be market households (earning over 80 % of AMI); however the number of units and percentages listed above can carry so long as it would not change the ability of the loan to be underwritten as approved and so long as the Executive Director approves same.

Commitment Fee and Expiration Date:

A commitment fee of $50,000 is due within 30 days from expiration of the 10-day Governor's veto period. The amount previously paid is $50,000; therefore no further fee is required at this time. If the fee is not received within this timeframe, this commitment will be null and void.

If the commitment fee is received within the above-listed timeframe, this commitment will expire on January 31, 2025; however, the Executive Director is hereby authorized to extend the recommitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

Mortgage Loan Commitment conditions:

1. Satisfactory compliance with the Agency's Multifamily Underwriting Guidelines and Financing Policy dated November 3, 2022, as may be amended.

2. Satisfactory compliance with the Agency's Affordable Housing Gap Subsidy Guidelines and Financing Policy dated January 13, 2022, as may be amended.

3. Satisfactory compliance with the Agency's Money Follows the Person Housing Partnership Program Guidelines dated September 24, 2015, as may be amended.

4. Satisfactory compliance with the AHPFSA Program Guidelines dated January 12, 2023, as may be amended.

5. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

6. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

7. The receipt of all necessary environmental and municipal approvals satisfactory to the Agency staff and the Attorney General's Office including, but not limited to, zoning variances, site plan and a tax abatement agreement pursuant to N.J.S.A. 55:14K-37 or the Long Term Tax Exemption Law, if applicable. In the event a tax abatement is obtained under the Long Term Tax Exemption Law, the Agency reserves the right to request a tax abatement under N.J.S.A. 55:14K-37 as a further condition of commitment, and reserves the right to require the Sponsor to relinquish its status as an urban renewal entity.

8. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.

9. Except as modified herein, all other conditions in the previous Board Action dated August 6, 2020 must be satisfied in a form and substance satisfactory to Agency staff. In the event of a conflict between any prior Agency Action(s), and this recommitment, the terms of this recommitment will control. A $2,500 recommitment fee will be charged. This fee is due prior to the Board issuance of a recommitment.

10. The Agency will not fund any additional construction costs that exceed the approved construction budget reflected in the board approved committed Form 10. Any additional construction costs exceeding the Form 10 contingency will be borne solely by the developer.

<u>Closing conditions:</u>

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Multifamily Underwriting Guidelines and Financing Policy dated November 3, 2022, as may be amended.

2. Satisfactory compliance with the Agency's Affordable Housing Gap Subsidy Guidelines and Financing Policy dated January 13, 2022, as may be amended.

3. Satisfactory compliance with the Agency's Money Follows the Person Housing Partnership Program Guidelines dated September 24, 2015, as may be amended.

4. Satisfactory compliance with the AHPFSA Program Guidelines dated January 12, 2023, as may be amended

5. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.

6. The Sponsor agrees that the Project must comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

7. Mortgage loan closing shall not occur until construction is completed in accordance with the plans and specifications approved by Agency staff. Construction shall be deemed completed at the sole discretion of Agency staff. Prior to permanent mortgage loan closing, the Sponsor must submit an audit of the development costs of the completed project, which the Agency must review and approve in its sole discretion.

8. The Agency must receive from the Sponsor insurance covering the Project in full compliance with all applicable Agency Insurance Specifications and Minimum Requirements ("Agency Insurance Requirements"). The applicable Agency Insurance Requirements are found on the Agency's Website (www.njhousing.gov) under the Quicklinks Tab and accessing Insurance Resources. By submitting the Financing Application for the Project, the Sponsor acknowledges that they have reviewed the applicable Agency Insurance Requirements and will fully comply with same to the sole satisfaction of the Agency.

9. Submission, verification and compliance with the Agency's requirement for construction completion guarantees (100% Payment and Performance Bond for Agency construction loans or Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans), including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.

10. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.

11. Receipt by Agency staff of an original insurance policy covering the Project and naming the Agency as: a) first mortgagee, b) lender's loss payable and c) additional insured, along with receipt demonstrating that the policy is paid in full. Note that an insurance certificate is not sufficient to meet this requirement. If a full insurance policy is temporarily unavailable, closing may occur on an insurance certificate if a letter is submitted from the insurance provider (not the broker) confirming that the insurance agent has the authority to bind the provider insuring the Project pursuant to the certificate of insurance.

Exhibit A

Project Report

Legislative District:	26
Congressional District:	11
Census Tract:	210.00

Development Team:

Developer/Applicant:	PIRHL Developers, LLC David Burg David Uram 5 Commerce Way, Suite 204 Hamilton, NJ 08691 609.751.9664
Sponsor/Borrower Entity:	Verona LIHTC Urban Renewal LLC 5 Commerce Way, Suite 204 Hamilton, New Jersey 08691 609.751.9664
Principals:	David Burg David Uram 800 W. Saint Clair Avenue, 4th Floor Cleveland, OH 44113 216.378.9690
Contact:	PIRHL Developers, LLC MaryEllen Melcher 5 Commerce Way, Suite 204 Hamilton, NJ 08691 609.751.9664
Architect:	WRT Jacquelin Camp 2800 Market Street, Suite 2800 Philadelphia, PA 19103 215.732.5215
Attorney:	Jeffery S. Beenstock, Ballard Spahr LLP 700 East Gate Drive, Suite 330 Mt. Laurel, NJ 08054 856.761.3417

General Contractor:	Conifer LeChase Construction 205 Indigo Creek Drive Rochester, NY 14626
Managing Agent:	Conifer Management, LLC Jeff Baker 1000 University Ave, Suite 500 Rochester, NY 14607
Social Services Provider:	Mental Health Association of Essex and Morris 60 Main Street, Suite 370 West Orange, NJ 07052 973.509.3777
Clearances and Disclosures:	All required disclosures from federal, State and/or municipality will be submitted prior to project funding.
Site Control:	The Borrower has entered into a Redevelopment Agreement.
Zoning:	The property is properly zoned for the proposed use.
Utilities:	All utilities are available to the site.
Land Valuation:	Has been determined in accordance with Agency standards set forth in the Agency's underwriting guidelines.
Taxes:	Tax abatement has been granted in accordance with N.J.S.A. 55:14K-37.
Environmental:	Has been completed in accordance with Agency underwriting standards set forth in the Agency underwriting guidelines.

Exhibit A

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$0	($0/DU)	($0/SF)
Construction Costs (Including Contractor Fee)	$23,084,913	($242,999/DU)	($202/SF)
Contingencies	$1,204,246	($12,676/DU)	($11/SF)
Developer Fee	$1,639,505	($17,258/DU)	($14/SF)
Professional Fees	$2,003,629	($21,091/DU)	($18/SF)
Carrying Financing Costs	$3,035,591	($31,954/DU)	($27/SF)
Other Charges	$1,244,321	($13,098/DU)	($11/SF)
TOTAL DEVELOPMENT COST	$32,212,205	($339,076/DU)	($282/SF)

PROPOSED PERMANENT SOURCES

HMFA First Mortgage Loan, Note I	$7,292,292	($76,761/DU)
Money Follows the Person	$375,000	($3,947/DU)
LIHTC Equity ($0.98) Berkadia Affordable Tax Credit Solutions	$17,259,887	($181,683/DU)
Township of Verona	$500,000	($5,263/DU)
Deferred Developer Fee	$819,753	($8,629/DU)
Essex County HOME Funds	$1,925,000	($20,263/DU)
AHGS	$1,500,000	($15,789/DU)
AHPFSA	$2,540,273	($26,740/DU)
TOTAL PROPOSED PERMANENT SOURCES	$32,212,205	($339,076/DU)

BREAKOUT OF DEVELOPMENT COSTS:

Acquisition	$0
Percentage of Total Development Costs	0%
Construction Cost + Hard Cost Contingency + Utility Connection Fees	$24,448,809
Percentage of Total Development Costs	76%
**Remaining Soft Cost	$7,763,396
Percentage of Total Development Costs	24%

Percentage of Construction Costs	32%

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (i.e.: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost	$7,763,396
Less	
Negative Arbitrage	$145,846
Deferred Developer Fee	$819,753
Escrows	$832,353
Other: (i.e.: tax credit fees, interest, points)	$2,586,183
TOTAL	$4,384,135
Net Soft Costs	$3,379,261
Percentage of Total Development Costs	10%
Percentage of Construction Costs	14%

BREAKOUT OF PER UNIT COST ($275,000 for one to four stories building or $300,000 five or six stories or $325,000 for over six stories building)

Total Development Cost	$32,212,205	($339,076/DU)
Less		
Reserves	$832,353	($8,762/DU)
Req Deferred Developer Fee	$819,753	($8,629/DU)
NET TOTAL DEVELOPMENT COSTS	$30,560,098	($321,685/DU)

Exhibit A

The mortgage loan was sized based on the Sponsor's affordability election and the following assumptions:

Affordability Overview
Rental Housing Summary

# Units	Unit Type	Net Monthly Rent	Utility Allowance	Range of Affordability
1	1- Bedroom	$431	$79	20% AMI- Very Low
2	1- Bedroom	$1,223	$79	Section 811
3	1- Bedroom	$1,223	$79	Section 811
4	1- Bedroom	$1,024	$79	47.5% AMI- Low
1	1- Bedroom	$1,239	$79	57.5% AMI- Mod
1	1- Bedroom	$1,239	$79	57.5% AMI- Mod
4	1- Bedroom	$1,239	$79	57.5% AMI- Mod
2	2- Bedrooms	$517	$98	20% AMI- Very Low
2	2- Bedrooms	$776	$98	30% AMI- Very Low
12	2- Bedrooms	$1,228	$98	47.5% AMI- Low
10	2- Bedrooms	$1,228	$98	47.5% AMI- Low
11	2- Bedrooms	$1,487	$98	57.5% AMI- Mod
8	2- Bedrooms	$1,487	$98	57.5% AMI- Mod
4	2- Bedrooms	$1,487	$98	57.5% AMI- Mod
4	2- Bedrooms	$1,487	$98	57.5% AMI- Mod
1	3- Bedrooms	$598	$134	20% AMI- Very Low
1	3- Bedrooms	$598	$134	20% AMI- Very Low
1	3- Bedrooms	$897	$136	30% AMI- Very Low
11	3- Bedrooms	$1,420	$136	47.5%% AMI- Low
12	3- Bedrooms	$1,719	$136	57.5%% AMI- Mod

95 Units

Attachments:

Form-10
Prior Board Approval Dated August 6, 2020
Prior Board Approval Dated August 11, 2022
Prior Board Approval Dated December 15, 2022

Exhibit A

Apartments at Verona aka Verona Flats **September 26, 2024**
Township of Verona, Essex County
HMFA #07767
Developer: Conifer Realty, LLC
# of Units: 95 units including 5 units for homeless individuals and 5 units for individuals coming out of nursing homes
Population: Family

REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval of a modification of the mortgage loan commitment for a project known as Apartments at Verona aka Verona Flats HMFA #07767 (the "Project"), upon the terms and conditions set forth below.

Issues, Comments and Related Actions:

Apartments at Verona was awarded 9% Low Income Housing Tax Credits ("LIHTC") in the September 2020 round and received a supplementary award of 9% LIHTC in the December 2022 round.

On December 15, 2022 the Agency Board approved a subsidy mortgage loan commitment from the Affordable Housing Gap Subsidy Program and on May 4, 2023, the Agency Board approved a commitment for permanent financing from the Agency Revenue Bond, permanent only financing from the Money Follows the Person Housing Partnership Program and permanent financing from the Affordable Housing Production Fund Set Aside Program for the Project. At the time of commitment, the developer was PIRHL Developers, LLC. Conifer Realty acquired PIRHL Developers, LLC's New Jersey portfolio on March 17, 2023. The borrower entity has also changed from PIRHL Verona MM LLC to Conifer Verona GP LLC. The Sponsor has provided the required due diligence and staff supports the modification of the developer and borrower entity.

Construction began in July 2023 with anticipated completion in December 2024. The Project is currently 82% completed. The Project is anticipated to close on the Agency's permanent financing in February 2025.

Prior Board Approval

On August 6, 2020, the Agency Board approved a conditional commitment for permanent financing.

Exhibit A

On August 11, 2022, the Agency Board approved a conditional commitment for permanent financing.

On December 15, 2022, the Agency Board approved a mortgage commitment for the Affordable Housing Gap Subsidy Program for permanent financing.

On May 4, 2023, the Agency Board approved a commitment for permanent financing.

Conditions:

1. Except as modified herein, all other conditions in the previous Board Action dated May 4, 2023 must be satisfied in a form and substance satisfactory to Agency staff. In the event of a conflict between any prior Agency Action(s) and this commitment, the terms of this commitment shall control.

Attachments:

Prior Board Approval Dated August 6, 2020
Prior Board Approval Dated August 11, 2022
Prior Board Approval Dated December 15, 2022
Prior Board Approval Dated May 4, 2023

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A FUNDING COMMITMENT FROM THE FORECLOSURE INTERVENTION PROGRAM (FIP) FOR THE PROJECT KNOWN AS 43 SHARPLESS DRIVE, FIP #020

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

.

Laura Shea
Assistant Secretary

43 Sharpless Blvd. **May 1, 2025**
Westampton, Burlington, NJ
Non-Profit: The Salt and Light Company, Inc.
FIP# 020

REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

Approval to enter into a grant agreement for an amount not to exceed $400,000.00 (Four Hundred Thousand Dollars) for acquisition and rehabilitation costs from the Residential Foreclosure Intervention Program ("FIP") for the property located at 43 Sharpless Blvd., Westampton, New Jersey (the "Project"), upon the terms and conditions set forth below.

The Applicant/Developer

The Salt and Light Company, Inc., ("Salt and Light" or "Grantee") located in Westampton, New Jersey, is the applicant for the grant and will also act as the non-profit developer for the Project.

Salt and Light is a full-service non-profit developer, a licensed NJ Pest Control Applicator, as well as a New Jersey licensed Home Improvement Contractor. Salt and Light has renovated over 200 housing units and educated over 800 families in the basics of home buying through Home Start, their first-time homebuyer's program. They participated in the HUD Dollar Home Program completing the renovation and resale of homes in New Jersey, Maryland, Connecticut, Michigan, North Carolina, Georgia, Pennsylvania, Ohio, Florida, and Massachusetts.

Acquisition

Salt and Light has a Residential Real Estate Purchase and Sale Contract with Hudson Homes Management LLC, and plan to close on the property for $327,000.00 (Three Hundred Twenty-Seven Thousand Dollars).

The Project

Exhibit A

The property is a townhome built in 1997 located in Burlington County. The home is 1,490 square feet with 3 bedrooms, 1.5-bathroom, spacious kitchen, fenced-in backyard, and 2 dedicated parking spaces.

Salt and Light plans to install a new energy star washer and dryer, refrigerator, and over the range microwave. They will replace the front entry door locks, light fixtures, and wall mounted glass mirrors in the bathrooms with medicine cabinets. The existing countertops in the kitchen will be removed and replaced with new granite undermount sink. The front and rear yards will be landscaped as well.

Once the renovations are completed, the property will be sold to a household making no more than 120% AMI based on HUD's median family income for the relevant county.

Financing Structure

Salt and Light received approval for a revolving line of credit (LOC) on March 6, 2024 for $600,000.00 (Six Hundred Thousand Dollars) from 1st Colonial Community Bank. 1st Colonial Community Bank also approved a 2-year balloon loan in the amount of $200,000.00 (Two Hundred Thousand Dollars) as well.

Agency Financing

The Agency will provide a grant not to exceed $400,000 to be disbursed in two payments:

- The first disbursement which will cover the cost of acquisition will be made to Salt and Light, upon completion of the purchase and submission of the required documents to the Agency.
- The second disbursement will occur when Salt and Light sells the property and all invoices-requisitions have been reviewed and approved by the Agency. Salt and Light is responsible for providing verification of all inspections, certificate of occupancy, and proof that the property has been sold to an eligible homeowner prior to the second disbursement.

Terms and Conditions

Grantee: The Salt and Light Company, LLC.

Source of grant funds: The Foreclosure Intervention Fund.

Affordability: The Grantee must sell the property to a homeowner making no more than 120% of AMI for the county where the property is located. The Grantee is required by the enabling statue to give preference to households who have been qualified for an NJHMFA single family mortgage.

Grant Commitment conditions:

1. Satisfactory compliance with the Residential Foreclosure Intervention Program Guidelines dated October 19, 2023, as may be amended.

2. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.

3. The ability of the Grantee to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.

Grant Closing conditions:

1. Submission, verification and compliance with all Grant closing requirements including, but not limited to all applicable Agency Insurance Specifications and Minimum Requirements implemented by the Agency as set forth in the Residential Foreclosure Intervention Program Guidelines dated October 19, 2023, as may be amended.

2. Grantee shall obtain and maintain at all times insurance coverage(s) with respect to its ownership and rehabilitation of the Property. All such coverages shall be of the nature and in such amounts as required by the Agency and shall name the Agency as an insured and loss payee.

3. First disbursement will occur once the Agency has received the appropriate closing documents including but limited to the, settlement statement, affidavit of title, and deed evidencing the transfer of title to the Grantee.

4. Second disbursement will occur after the Grantee sells the rehabilitated property to an eligible homeowner; all invoices and or requisitions have been received and approved by Agency staff.

5. Submission and approval of Radon Testing Report.

Project Report

Legislative District:	8
Congressional District:	3
Census Tract:	7027.01

Development Team:

Exhibit A

Developer/Applicant:	The Salt & Light Company, Inc. Kent Pipes 1841 Burlington-Mt. Holly Road Westampton, NJ 08060-1069 609-261-4571
General Contractor:	Kent Pipes 1841 Burlington-Mt. Holly Road Westampton, NJ 08060-1069 609-261-4571
Site Control:	The Grantee will purchase the property from Hudson Homes Management, LLC.
Zoning:	The property is properly zoned for the proposed use.
Utilities:	All utilities are available to the site.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	$327,000.00
Construction Costs	$20,130.00
Contingencies	$4,020.00
TOTAL DEVELOPMENT COST	$351,150.00

Attachments:
- Inspection Report
- Contract of Sale
- Proof of Financing
- Budget

POLARIS HOME INSPECTIONS
856 770 4503
jpotts@polarisinspections.com
https://www.polarisinspections.com

RESIDENTIAL PROPERTY INSPECTION

43 Sharpless Blvd
Westampton, NJ 08060

Vangaurd Realty Group
10/24/2024

Inspector
John Potts
John F Potts Jr.
ASHI Member #268108 | State of New Jersey Home Inspector License #24IG00199700 | Radon Measurement Technician Certification #MET14334 | Commercial Pesticide Applicator License #62697B | Remote Pilot Certificate #4637347
856 770 4503
jpotts@polarisinspections.com

Agent
Sharonn Thomas-Pope
Vanguard Realty Group Inc.

TABLE OF CONTENTS

SUMMARY

These summary pages are not the entire report. The complete report may include additional information of interest or concern to you. It is strongly recommended that you promptly read the complete report. For information regarding the negotiability of any item in this report under the real estate purchase contract, contact your real estate agent or an attorney.

1: INSPECTION INFORMATION

Information

In Attendance
Inspector Only

Occupancy
Vacant

Type of Building
Condominium / Townhouse

Inspection Type
Pre-Listing

Construction Year (Pulled From Online Sources)
1997

Applicable Standards of Practice
New Jersey

Weather Conditions
Clear

Temperature at the Time of Inspection
60-70 Degrees

Precipitation in the Last 48 hrs?
No

Ground Condition
Dry

Structure Orientation

For the sake of this inspection the front of the structure will be considered as the portion pictured in the above cover photo. References to the left or right of the structure should be construed as standing in the front yard, viewing the front of the structure.

Important Information/Limitations: Inspection Overview

The inspection company strives to perform all inspections in substantial compliance with the applicable Standards of Practice. As such, I inspected the readily accessible, visually observable, installed systems and components of the structure located at 43 Sharpless Blvd, Westampton, NJ 08060, for the Client; Vangaurd Realty Group, as designated in these Standards of Practice. When systems or components designated in the Standards of Practice were present but were not inspected, the reason(s) the item was not inspected will be stated. **This inspection is neither technically exhaustive nor quantitative.**

There may be comments made in this report that exceed the required reporting of the Standards of Practice; these comments (if present) were made as a courtesy to give you as much information as possible about the home. Exceeding the Standards of Practice will only happen when I feel I have the experience, knowledge, or evidence to do so. There should be no expectation that the Standards of Practice will be exceeded throughout the inspection. Any comments made that exceed the standards will be followed by a recommendation for further evaluation and repairs by applicable tradespeople.

This report contains observations of those systems and components that were not functioning properly, significantly deficient, or unsafe in my professional judgment. **All items in this report that were designated for repair, replacement, maintenance, or further evaluation should be investigated by qualified tradespeople within the clients' contingency period** to determine the total cost of said repairs and to learn of any additional problems that may be present during these evaluations that were not visible during a "visual only" Home Inspection.

This inspection is not equal to extended day-to-day exposure. It will not reveal every concern or issue that may be present, but only those significant defects that were accessible and visible at the time of inspection. This inspection can not predict future conditions or determine if latent or concealed defects are present. The statements made in this report reflect the conditions as **existing at the time of the inspection only** and expire at the completion of the inspection. The limit of liability of the inspection company and its employees, officers, etc., does not extend beyond the day the inspection was performed. This is because time and differing weather conditions may reveal deficiencies that were not present at the time of inspection, including but not limited to: roof leaks, water infiltration into areas below grade, leaks beneath sinks, tubs, and toilets, water running at toilets, the walls, doors, and flooring, may be damaged during moving, etc. Refer to the Standards of Practice and the Inspection agreement regarding the scope and limitations of this inspection.

This inspection is **NOT** intended to be considered a **GUARANTEE OR WARRANTY, EXPRESSED OR IMPLIED, regarding the operation, function, or future reliability of the home and its components. AND IT SHOULD NOT BE RELIED ON AS SUCH.** This report is only supplemental to the Sellers Disclosure and Pest (WDI) Inspection Report. It should be used alongside these documents, along with quotes and advice from the tradespeople recommended in this report to better understand the condition of the home and expected repair costs. Some risk is always involved when purchasing a property, and unexpected repairs should be anticipated, which is, unfortunately, a part of homeownership. One Year Home Warranties are sometimes provided by the sellers and are **highly recommended** as they may cover future repairs on major items and components of the home. If a warranty is not provided by the seller(s), your Realtor can advise you of companies that offer them.

Important Information/Limitations: Notice to Third Parties

Notice to Third Parties: This report is the property of The Inspection Company and is **Copyrighted as of 2018**. The Client(s) and their Direct Real Estate Representative named herein have been named licensee(s) of this document. This document is **non-transferrable, in whole or in part,** to any third parties, including; subsequent buyers, sellers, and listing agents. Copying and pasting deficiencies to prepare the repair request is permitted. **THE INFORMATION IN THIS REPORT SHALL NOT BE RELIED UPON BY ANYONE OTHER THAN THE CLIENT NAMED HEREIN.** This report is governed by an Inspection agreement that contained the scope of the inspection, including limitations, exclusions, and conditions of the copyright. **Unauthorized recipients are advised to contact a qualified Home Inspector of their choosing to provide them with their own Inspection and Report.**

Important Information/Limitations: Items Not Inspected and Other Limitations

EXCL - ITEMS NOT INSPECTED: Some items are not inspected in a home inspection, such as, but not limited to; fences and gates, pools and spas, outbuildings or any other detached structure, refrigerators, washers/dryers, storm doors, and storm windows, screens, window AC units, gas furnace heat exchangers, central vacuum systems, water softeners, alarm, and intercom systems, and any item that is not a permanently attached component of the home. Also, drop ceiling tiles are not removed, as they are easily damaged, and this is a non-invasive inspection. Subterranean systems are also excluded, such as but not limited to sewer lines, septic tanks, water delivery systems, and underground fuel storage tanks.

Water and gas shut-off valves are not operated under any circumstances. As well, any component or appliance that is unplugged or "shut off" is not turned on or connected for the sake of evaluation. I don't know why a component may be shut down and can't be liable for damages that may result from activating said components/appliances.

Also not reported on are the causes of the need for a repair; The methods, materials, and costs of corrections; Recalled appliances, items, and/or components; The suitability of the property for any specialized use; Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions; The market value of the property or its marketability; The advisability or inadvisability of purchase of the property; The insurability of the structure or any of its items or components; Any component or system that was not observed; Calculate the strength, adequacy, design, or efficiency of any system or component; Enter any area or perform any procedure that may damage the property or its components or be dangerous to the home inspector or other persons; Operate any system or component that is shut down or otherwise inoperable; Operate any system or component that does not respond to normal operating controls; Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility. Also excluded is the proper installation of Stucco and EIFS and the repercussions of improper installation, including water damage to the structure.

Lastly, a home inspection does not address environmental concerns such as, but not limited to: Asbestos, lead, lead-based paint, radon, mold, wood-destroying insects or organisms (termites, etc.), cockroaches, rodents, pesticides, fungus, treated lumber, Chinese drywall, mercury, or carbon monoxide.

Important Information/Limitations: Recommended Contractors Information

CONTRACTORS/FURTHER EVALUATION Information - It is HIGHLY recommended that licensed professionals are used for repairs or replacement of deficiencies referenced in this report, and copies of their receipts/invoices are provided to you for warranty purposes. The inspection company **does not** perform re-inspections of repairs as they can be invasive in nature, limiting what I can visually see and report to you.

The use of the term "Qualified Professional" or "Qualified Person" in this report relates to an individual, company, or contractor who is either licensed or certified in the field of concern. If I recommend evaluation or repairs to be performed by contractors or other licensed professionals, they may discover additional problems since they will be invasive with their evaluation and repairs. Any listed items in this report concerning areas reserved for such experts should not be construed as a detailed, comprehensive, and/or exhaustive list of problems or areas of concern.

CAUSES of DAMAGE / METHODS OF REPAIR: Any suggested causes of damage or defects and methods of repair mentioned in this report are considered a professional courtesy to assist you in better understanding the condition of the home, and in my opinion, only from the standpoint of a visual inspection, and should not be wholly relied upon. Contractors or other licensed professionals will have the final determination on the causes of damage/deficiencies and the best methods of repairs due to being invasive with their evaluation. Their evaluation will supersede the information found in this report.

Important Information/Limitations: Specialty Tools Information

LMT - Specialty tools, testers, meters, and the like may have been used during this inspection and photographed in this report. The use of any of these tools is beyond the scope of a home inspection and was done as a courtesy to provide you with as much information as possible about the property.

Quantitative readings will not be provided in this report. Although readings or other quantitative values may be represented in photographs, these values should not be wholly relied upon as they can change from day to day, with differing conditions.

Important Information/Limitations: Other Notes - Important Info

INACCESSIBLE AREAS: In the report, there may be specific references to areas and items that were inaccessible or only partly accessible. I can make no representations regarding conditions that may be present in these areas that were concealed or inaccessible for review. With access and an opportunity for inspection, **reportable conditions or hidden damage may be found in areas that were not accessible or only partly accessible. These conditions or damage are excluded from this inspection.**

QUALITATIVE vs. QUANTITATIVE - A home inspection is not quantitative. When multiple or similar parts of a system, item, or component are found to have a deficiency, the deficiency will be noted in a qualitative manner such as "multiple present," etc. A quantitative number of deficient parts, pieces, or items will not be given as the repairing contractor will need to evaluate and ascertain the full amount or extent of the deficiency or damage. **This is not a technically exhaustive inspection.**

REPAIRS VERSUS UPGRADES - I inspect homes to today's safety and building standards. Therefore some recommendations made in this report may not have been required when the home was constructed and could be considered non-conforming. Building standards change and are improved for the safety and benefit of the occupants of the home, and therefore **any repairs and/or upgrades mentioned in this report should be considered for safety, performance, and the longevity of the home's items and components.** Although I will address some recommended upgrades in the report, this should not be construed as a full listing of items that could potentially be upgraded. To learn of **ALL** the ways the home could be brought up to today's building and safety standards, full and exhaustive evaluations should be conducted by qualified tradespeople.

COMPONENT LIFE EXPECTANCY - Components may be listed as having no deficiencies at the time of inspection but may fail at any time due to their age or lack of maintenance, which couldn't be determined by the inspector.

PHOTOGRAPHS: Several photos are included in your inspection report as a courtesy and are not required by The Standards of Practice. These photos are for **informational purposes only and do not attempt to show every instance or occurrence of a defect.**

TYPOGRAPHICAL ERRORS: This report is proofread before sending it out, but typographical errors may be present. If any errors are noticed, please feel free to contact me for clarification.

Please acknowledge once you have completed reading this report. At that time, I will be happy to answer any questions you may have or provide clarification. Non-acknowledgement implies that you understood all information contained in this report.

Important Information/Limitations: Comment Key - Definitions

This report places deficiencies into three categories; **Significant/Major Defects**, **Marginal Defects**, and **Minor Defects/Maintenance Items/FYI**.

Significant Defects - Items or components that were not functional, represent a serious safety concern, and/or may require a major expense to correct. Items categorized in this manner require further evaluation and repairs or replacement as needed by a Qualified Contractor **prior to the end of your contingency period.**

Marginal Defects - Items or components that were found to include a safety hazard, or a functional or installation related deficiency. These items may have been functional at the time of inspection, but this functionality may be impaired, not ideal, and/or the defect may lead to further problems (most defects will fall into this categorization). Repairs or replacement is recommended to items categorized in this manner for optimal performance and/or to avoid future problems or adverse conditions that may occur due to the defect, prior to the end of your contingency period. Items categorized in this manner typically require repairs from a Handyman or Qualified Contractor **and are not considered routine maintenance or DIY repairs.**

Minor Defects/Maintenance Items/FYI - This categorization will include items or components that may need minor repairs that can improve their functionality, and/or items found to be in need of recurring or basic general maintenance. This categorization will also include **FYI** items that could include observations, important information, recommended upgrades to items, areas, or components.

These categorizations are based on my professional judgement and experience and based on what I observed at the time of inspection. These categorizations should not be construed as to mean that items designated as "**Minor defects**" or "**Marginal Defects**" do not need repairs or replacement. **The recommendations made in each comment is more important than the categorization**. Due to your perception, opinions, or personal experience you may feel defects belong in a different category, and you should feel free to consider the importance you believe they hold during your purchasing decision. Once again, it's the "Recommendations" in the text of the comment pertaining to each defect that is paramount, not its categorical placement. **Neglecting attention, repairs, servicing, and/or maintenance can allow items designated as Blue to turn to Orange, and Orange items to Red.**

Other designations include:

LMT: Limitation - The item, system, area, or component contained inspection limitations which may include, but is not limited to: visibility limitations, accessibility limitations, items being shut-off, etc. Please read the corresponding comment for more information. Follow-up evaluations should be performed on any items or areas designated in this manner, as desired by you, prior to the end of your inspection contingency period.

EXCL: Excluded - The item, system, area, or component is excluded from this inspection due to being outside the scope of a home inspection, was not accessible or visible, and/or other reasons. Please read the corresponding comment for more information. Follow-up evaluations should be performed on any items or areas designated in this manner, as desired by you, prior to the end of your inspection contingency period.

SFTY: Safety Concern - The item, system, area, or component represented a safety concern or hazard and should be addressed as soon as possible by a qualified professional.

AGED: AGED - The item, system, or component was nearing, at, or past the end of its typical service life, but may have been still functional to some degree at the time of inspection. Major repairs or replacement should be anticipated, and planned for, on any items that are designated as being at, or past the end of their typical life. Depending on the item these repair or replacement costs can represent a major expense; i.e. HVAC systems, Water Heaters, Plumbing pipes, Aged wiring and electrical panels, etc.

2: UTILITY SHUTOFF LOCATIONS

Information

Main Breaker / Service Disconnect Location
At Main Breaker in the Electrical Panel

Water: Water Shutoff Valve Location
Utility Room

Gas/LP: Main Gas Shutoff Valve Location
On Exterior Meter

Electrical Service Disconnect Information

The pictured electrical service disconnect will shut off all power to the home in the case of an emergency, or for servicing.

Water: Water Shutoff Valve Information

The pictured water shutoff valve will shut off the water supply in the home in the case of an emergency, or for servicing.

Gas/LP: Gas Shutoff Valve Information

The pictured main gas shutoff valve will shut off the gas supply to the home in the case of an emergency, or for servicing.

3: EXTERIOR

Information

Walls/Cladding: **Cladding Material**
Vinyl Siding

Walls/Cladding: **Wall Construction Type**
Wood Framed

Walls/Cladding: **Vegetation Obscuring Wall(s) Visibility?**
Partial

Eaves/Overhangs/Fascia: **Soffit & Fascia Material**
Aluminum Soffit, Aluminum-Clad Fascia

General Info: **Elevation Photos (Including the Front, Rear, Left and Right Sides of the Home)**


Walls/Cladding: **Wall and Cladding Information**

The walls and wall cladding were inspected, looking for significant damage, proper flashings, potential water entry points, etc. No reportable deficiencies were visibly present at the time of inspection unless otherwise noted in this report.

Window Exteriors: **Windows Information**

The exterior components of the windows (trim, flashing, etc.) were inspected looking for damage, lack of proper flashing, clearance from grade, etc.

Window Exteriors: **Window Screens Information**

EXCL - Window screens are not required to be reported on during a home inspection and their presence and/or condition is excluded from this inspection. If the window screens are of concern, it is recommended that you consult with the seller(s) as to their presence and condition.

Wall Flashings: **Wall Flashing Information & Limitations**

LMT - Visible portions of the flashings were inspected looking for significant deficiencies (Z-flashings, drip cap, etc - as applicable). **Typically most areas of flashings are not visible as they are covered by the wall claddings.** Therefore functionality has to be determined by looking for moisture intrusion or damage at areas where they should be, or are presumed to be in place. No reportable conditions were observed at visible portions, at the time of inspection, unless otherwise noted in this report.

Eaves/Overhangs/Fascia: **Soffit/Fascia Information**

The soffit and fascia was inspected at visible portions looking for any water damage or other significant defects. No reportable conditions were visibly present at the time of inspection unless otherwise noted in this report. The possibility of hidden damage exists on any structures with clad fascia and vinyl/aluminum soffit.

Exterior Doors: **Doors Information**

All exterior doors were inspected by looking for damage, lack of proper flashing, deficiencies with their operation, etc. No reportable deficiencies were present at the time of inspection unless otherwise noted in this report.

Exterior Doors: **Handleset Information**

LMT - Handlesets (deadbolts & door handles) are not inspected for their functionality with keys, as replacement or re-keying of any deadbolts and handles is recommended due to not knowing who may possess keys to the home. Therefore deadbolts and handles will be reported on with respect to their misalignment with the door only, preventing them from latching or locking properly.

4: GROUNDS

Information

Driveway and Walkway Condition: Driveway Material
Asphalt

Driveway and Walkway Condition: Walkway Material
Concrete

Grading/Lot Drainage: Grading/Drainage Conditions
Satisfactory Grading

Gas Meter/LP Tank Information: Fuel Source
Gas Meter

Gas Meter/LP Tank Information: Location of Fuel Source
Rear of Home

Driveway and Walkway Condition: Driveway/Walkway Information

The driveway(s) and walkway(s) (as applicable) were inspected to determine their effect on the structure of the home only. Any visible deficiencies that may be present will also be reported on, such as; cracking, displacement, or other damage. Any comments relating to damage to the concrete, asphalt, and/or masonry surfaces should be viewed as a courtesy. They may not be an all-inclusive listing, as the Standards of Practice only requires that driveway(s) and walkway(s) be reported on with their respected effect on the structure.


Grading/Lot Drainage: Grading / Drainage Overview

The grounds in contact with the structure were inspected to determine that they were sloped to allow rainwater to drain away from the structure adequately. The soil is recommended to slope away from the foundation, with a 6-inch drop in elevation, in the first 10 feet away from the structure (5% grade). When the 5% grade can not be achieved, swales or drains should be used as needed to divert and/or manage rainwater runoff properly. Any flat or low areas around the structure should be backfilled and sloped away from the foundation to prevent potential moisture infiltration into areas below grade (as applicable).


Grading/Lot Drainage: Grading Limitations

LMT - The grading and lot drainage performance is limited to the conditions existing at the time of the inspection only. I cannot guarantee this performance as conditions constantly change. Heavy rain or other weather conditions may reveal issues that were not visible or foreseen at the time of inspection. Furthermore, items such as leakage in downspouts and gutter systems are impossible to detect during dry weather and can add moisture to the soil in the area around the foundation. The inspection of the grading and drainage performance in relation to moisture infiltration through foundation walls or under slabs is limited to the visible conditions at the time of inspection and evidence of past problems. I recommend consulting with the sellers as to any previous moisture intrusion into the structure and reading over the Sellers Disclosure, which should list any such issues.

Vegetation Observations: **Vegetation Information**

Vegetation was inspected around the home to ensure that it had adequate clearance from the structure and was not impacting the structure. No significant deficiencies were observed unless otherwise noted in this report.

Patio: **Patio Information**

The patio area was inspected looking for significant defects. No reportable conditions were visibly present at the time of inspection unless otherwise noted in this report.

Exterior Spigots: **Spigot(s) Information**

The spigots were inspected by testing their operation (if weather permitted), looking for leaks, their attachment to the home, presence of anti-siphon, etc.

Gas Meter/LP Tank Information: **Gas Meter Information**

The gas meter was inspected looking for damage and the regulator vents' clearance from ignition sources and air inlets into the home. No indications of deficiencies were present at the time of inspection unless otherwise noted in this report.

Recommendations

4.2.1 Driveway and Walkway Condition

Minor Defect, Maintenance Item, or FYI Item

ASPHALT - DETERIORATION

Deteriorated asphalt and cracking of the asphalt surface was present. Asphalt will deteriorate with age and lack of maintenance such as sealing. Repairs are recommended by an asphalt paving contractor as desired.

Recommendation

Contact a qualified professional.

4.4.1 Vegetation Observations

Marginal Defect

TREE(S) - LIMBS WITHIN 10 FEET OF ROOF

Tree limbs were present that were covering portions of the roof surface or within 10 feet of the roof. Tree limbs within 10 feet of the roof should be trimmed away to provide air and sunlight to the roof, allowing the roof surface to adequately dry after rainfall events. Leaves from trees can also clog downspouts and gutters allowing them to overflow. Trimming or removal of the offending branches as needed is recommended to be conducted by a tree trimming company.

Recommendation

Contact a qualified tree service company.

4.6.1 Exterior Spigots

Minor Defect, Maintenance Item, or FYI Item

SPIGOT(S) - NOT FUNCTIONAL

LMT - The referenced spigot(s) were not functional at the time of inspection. I recommend consulting with the sellers as to their operation (as it could be as simple as a shut-off valve being in the off position), and/or evaluation by a licensed plumber if they have no information.

Recommendation

Contact a qualified plumbing contractor.

4.6.2 Exterior Spigots

Minor Defect, Maintenance Item, or FYI Item

SPIGOT(S) - LOOSE AT WALL

The referenced spigot was not secured to the wall. Properly securing the spigot to prevent damage to the water distribution pipe is recommended to be conducted by a qualified person.

Recommendation

Contact a qualified professional.

5: ROOF

Information

Inspection Method: Inspection Method
Aerial Drone

Roof Surface Condition: Roof Covering Material
3-Tab Composition Shingles

Shingles: Shingles Stage of Life Estimation
End of Life

Vents/Roof Protrusions: Roof Protrusion Type(s)
Plumbing Stack Vent(s), Fixed Roof Exhaust Vent(s), Flue Vent(s)

Chimney: Chimney Material
Galvanized Flue Vent

General Info: Roof Views

General Info: Roof Limitations

LMT - The inspection of the roof and its covering material is limited to the conditions on the day of the inspection only. The roof covering material, visible portions of the roof structure from within the attic (if applicable), and interior ceilings, were inspected looking for indications of current or past leaks. Future conditions and inclement weather may reveal leaks that were not present at the time of inspection. Any deficiencies noted in this report with the roof covering or indications of past or present leaks should be evaluated and repaired as needed by a licensed roofing contractor.

Inspection Method: Inspected by Drone

LMT - An aerial drone was used for the roof evaluation. Any comments made in this report relating to the roof covering, roof protrusions, gutters, chimneys, etc. are limited to the visible perspective of the drone. If a more thorough inspection is desired I recommend consulting a roofing contractor prior to the end of your inspection contingency.

Shingles: Shingles Stage of Life Information

I will do my best to estimate the stage of life that the shingles appeared to be in at the time of inspection.
3-tab asphalt composition shingles typically have a 12-15 year life span. This would equate to:

- First Third of Life: 1-5 years in age
- Second Third of Life: 5-10 years in age
- Last Third of Life: 10-15 years in age

Shingles: Shingles Information

The shingles were inspected at visible portions for excessive granule loss, signs of curling or delamination, visible loss of adhesion between the shingles, and any other signs of damage or excessive age.

Vents/Roof Protrusions: Roof Protrusions Information

The plumbing stack vents, their related rain boots, and other roof penetrations were inspected by looking at their clearance, the integrity of their boots, for proper installation, or any significant defects. No reportable conditions were present at the time of inspection unless otherwise noted in this report.

Roof Flashings: Roof Flashing Information & Limitations

LMT - Visible portions of the flashings were inspected looking for significant deficiencies (drip edge, sidewall, headwall, counter, step, etc - as applicable). **Typically most areas of flashings are not visible as they are covered by the roof covering material and/or the wall cladding** (as applicable), and these areas are excluded from this inspection. Therefore functionality has to be determined by looking for moisture intrusion on ceilings where the flashing was presumed to be in place, or on the roof decking from within the attic (as accessible). No reportable conditions were observed at visible portions, at the time of inspection, unless otherwise noted in this report.

Chimney: Chimney - Flue Vent Information

The chimney flue vent was inspected by looking for proper flashing at its penetration point through the roofing material (if applicable), its clearance, and looking for any damage. No reportable conditions were visibly present at the time of inspection unless otherwise noted in this report.

Chimney: Chimney - Flashing Limitations

LMT - The chimney flashing was inspected for significant defects at visible portions. At the time of inspection no reportable conditions were visibly present unless otherwise noted in this report. Unfortunately the full installation of the flashing was not visible due to being covered by the shingles on a masonry chimney, while cladding can obscure all visibility on framed chases. The inspection of this flashing is limited to visible portions only along with an inspection of ceilings in the area looking for moisture staining, and/or the roof decking in the attic (as accessible). Going forward I recommend monitoring the ceilings in the chimney area looking for moisture staining and having an initial (pre-purchase) or annual evaluation of this flashing performed by a qualified roofing contractor as desired, to ensure it is performing as intended. This is the most common area for roof leaks, which can allow for substantial damage if not caught early.

Gutters/Downspouts: Gutters Information

The gutters were inspected looking for proper securement, debris in the channel, standing water, damage, etc. Leaking gutters can not be diagnosed if an active rain was not occurring at the time of inspection, and if leaks are noticed after taking ownership of the property, sealing or repairs may be needed at seams or endcaps. No deficiencies were visibly present at the time of inspection unless otherwise noted in this report.

Gutters/Downspouts: Downspouts Information

The downspouts were inspected to ensure they were diverting rainwater away from the structure. Testing for blockages in downspouts or drainpipes is beyond the scope of a home inspection, as is locating their termination point.

Gutters/Downspouts: Recommend Maintaining Gutters

It is recommended to periodically clean debris from the guttering channels to prevent downspouts from clogging. Clogs in downspouts can allow the gutters to overflow; damaging roof sheathing, fascia boards, and saturating grounds at the foundation.

Recommendations

5.1.1 General Info

PAST/PRESENT LEAKS OBSERVED

Marginal Defect

Although dry at the time of inspection a previous leak was observed at referenced areas. A full evaluation by a qualified roofer and repairs/replacement as necessary are recommended.

Recommendation

Contact a qualified professional.


5.4.1 Shingles

AGE - END OF LIFE

Significant Defect

The shingles were at the end of their useful life with heavy granule loss, algae growth, delamination, and areas of damage. Replacement of the roof covering is recommended to be performed by a qualified roofing contractor.

Recommendation

Contact a qualified roofing professional.



5.5.1 Vents/Roof Protrusions

Marginal Defect

VENT STACK - IMPROPERLY FLASHED

A vent stack on the lower roof is improperly flashed/sealed allowing for the possible infiltration of water or pests. This vent stack and it's flashings should be evaluated and repaired as necessary.

Recommendation

Contact a qualified professional.

5.8.1 Gutters/Downspouts

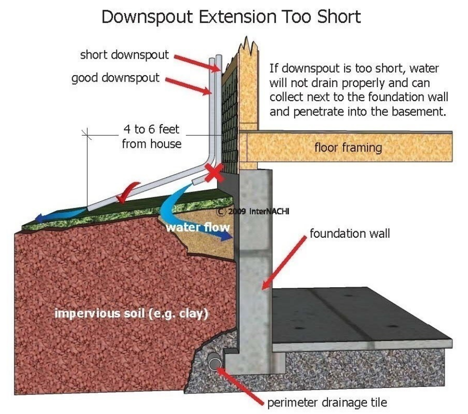
Minor Defect, Maintenance Item, or FYI Item

DOWNSPOUT(S) - TERMINATING NEAR FOUNDATION

There were downspouts present that were discharging within five feet of the foundation of the home. Current standards require downspouts to be diverted at least five feet from the foundation of the home to prevent the grounds surrounding the foundation from becoming saturated. Saturated grounds can allow water / moisture to enter basement and crawl space areas, and in extreme cases can allow for settlement of the home. Properly extending all downspouts at least five feet away from the home is recommended to be conducted by a gutter contractor or other qualified person.

Recommendation

Contact a qualified gutter contractor



6: INTERIOR AREAS & ITEMS

Information

General Info: **Ceiling Construction Type**

Not Fully Visible

Windows: **Window Glazing**

Double Pane

Closets: **Closet Surfaces Visually Obstructed?**

No

General Info: **Room Views**







General Info: **Ceiling Construction: Visual limitations Information**

Ceiling construction type and materials used are are often not visible due to finished surfaces. I will do my best to inspect and describe the ceiling construction. This report is limited to any visible portions of ceiling structure only.

Cabinets, Countertops: **Countertop/Cabinets Information**

The kitchen cabinetry, bathroom cabinetry, and any other cabinets and countertops were inspected looking for significant damage and by testing a representative number of doors and drawers evaluating their operation. No reportable conditions were present at the time of inspection unless otherwise noted in this report.

Windows: **Windows Information**

The windows were inspected by operating a representative number (I will try and operate every window in the structure, but personal belongings may block accessibility to some). Their operation was tested, along with looking for damage, broken glass, failed seals, etc. No reportable deficiencies were present unless otherwise noted in this report.

Windows: Glass Seal Failure Limitations

LMT - Reporting on double pane glass seal failure is not required by the Standards of Practice, and lies beyond the scope of a home inspection, as glass may not show signs of seal failure at the time of inspection, but may become visible later due to changes in conditions. Desiccant material in the glass spacer can absorb moisture in between the panes, essentially masking seal failure. Also, changes in weather conditions (high humidity, etc.) may reveal seal failure that was not visible at the time of inspection. Seal failure is where the double pane glass loses its adhesion with the inner spacer, allowing moisture and debris in between the panes of glass. I will report on any insulated glass units that were showing signs of seal failure at the time of inspection, but this should not be relied upon as a complete listing of affected units. If glass seal failure is a concern, you are advised to seek the services of a window or glass repair contractor.

Closets: Closets Information

The closets were inspected by testing the operation of their doors and looking for significant defects.

Interior Doors: Interior Doors Information

A representative number of interior doors were inspected by operating them ensuring that they opened and closed properly, as well as latched properly without binding on jambs or the floor.

Stairs, Handrails, & Guardrails: Stairs Information

The stairs were inspected by evaluating the risers and treads, applicable railings, etc. No significant deficiencies were present at the time of inspection unless otherwise noted in this report.

Wall and Ceiling Surfaces: Wall and Ceiling Surfaces Information

Visible portions of the interior wall and ceiling surfaces were inspected looking for indications of moisture intrusion, settlement, or other significant defects. Cosmetic and minor deficiencies are not typically reported on, but maybe noted while looking for significant defects, any listing of these items should not be construed as an all-inclusive listing. No reportable conditions were observed at the time of inspection unless otherwise noted in this report.

Floor Condition: **Floors Information**

Visible portions of the floors throughout the structure were inspected looking for significant deficiencies.

Recommendations

6.3.1 Windows

OPERATION - SASH DOESN'T STAY OPEN

Marginal Defect

MASTER BEDROOM

Window(s) were present that didn't stay open when raised. This is typically due to a deficiency with the balance. Repairs are recommended to be conducted as needed for proper operation by a window company or other qualified person.

Recommendation

Contact a qualified window repair/installation contractor.

7: KITCHEN

Information

General Info: **Kitchen View**

Undersink Plumbing - Kitchen: **Undersink Plumbing Visibly Obstructed?**
No

Oven/Range: **Energy Source**
Electric

Oven/Range: **Range Anti-tip Bracket Presence**

No

Exhaust Fan: **Fan Type**

OTR Recirculating

Sink(s): **Not Inspected - Water Off**

LMT - The sink was not tested due to the water supply being off. I recommend confirming proper operation prior to closing.

Undersink Plumbing - Kitchen: **Water Off**

LMT - The plumbing was not inspected due to the water supply being off. I recommend confirming that no leaks are present prior to closing.

Dishwasher : **Water Off**

LMT - The dishwasher was not inspected due to the water supply being off. I recommend confirming proper operation prior to closing.

Oven/Range: **Breaker Off**

EXCL - The breaker for the range was in the off position at the time of inspection, and therefore the unit was not tested for functionality. I recommend confirming proper operation prior to closing.

Exhaust Fan: **Exhaust Fan Information**

The kitchen exhaust fan was inspected by operating normal controls, checking for proper operation. The fan's type (recirculating or exterior) will also be reported on. No deficiencies were observed at the time of inspection if not otherwise noted in this report.

Refrigerator: **Refrigerators Not Inspected**

EXCL - Refrigerators are not inspected during a Home Inspection as they are considered transient, "unattached" items. They are also not moved to look at the condition of the floor under them, or the cabinetry around them. Therefore their water line and power receptacle are not visible and excluded from this inspection. If the refrigerator is of concern, you are recommended to have an evaluation performed by an appliance repair company or other qualified professional prior to closing.

Recommendations

7.5.1 Oven/Range

SAFETY - ANTI-TIP BRACKET MISSING

Marginal Defect

SFTY - An anti-tip bracket was not present for the range (and if present, did not prevent the range from tipping). An anti-tip bracket prevents the range from tipping over if weight is applied to an open oven door, such as a child stepping or sitting on the door. Ranges contain a warning label on the inside of the oven door with more information. This bracket can be purchased at home improvement stores for approximately ten dollars. The installation of an anti-tip bracket is recommended to be conducted by a qualified person for safety.

http://www.sears.com/ search=anti%20tip%20bracket%20for%20oven

Recommendation

Contact a qualified professional.

8: BATHROOM(S)

Information

Ventilation: Ventilation Sources

Ventilation Fan(s), Window(s)

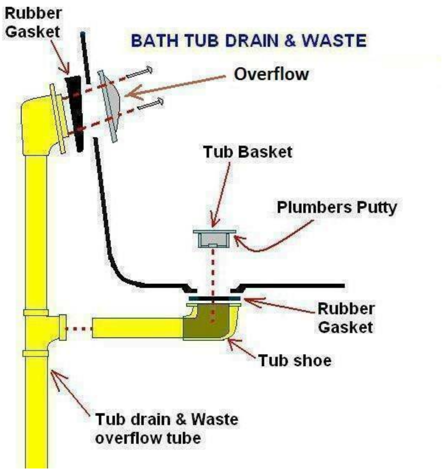
Undersink Plumbing - Bathroom: Undersink Plumbing Visibly Obstructed?

No

General Info: Bathroom View(s)

General Info: Tub and Sink Overflow Limitations

LMT - Tub and sink overflows are not tested for functionality due to the very high likelihood the gaskets will leak. Care should be exercised in filling tubs to not allow water into the overflow. While they will likely drain away the bulk of water, some amount of leaking should be anticipated. As an improvement, a licensed plumber could check the gaskets and make repairs deemed necessary. Again, it should be assumed these overflows will not be water tight.



Ventilation: Ventilation Information

The bathroom ventilation is reported on by its source; windows or ventilation fans are acceptable forms of ventilation for bathrooms containing a tub and/or shower. If fans are present they will be tested by operating the switch and listening for proper air flow. Although windows in a bathroom can substitute for a fan, a fan is still recommended due to not utilizing windows in colder winter months. No deficiencies were observed with the ventilation at the time of inspection unless otherwise noted in this report.

Sink(s): Water Off

LMT - The sinks were not inspected due to the water supply being off. I recommend confirming proper operation prior to closing.


Undersink Plumbing - Bathroom: Water Off

LMT - The undersink plumbing was not inspected due to the water supply being off. I recommend confirming proper operation prior to closing.


Bathtub(s): Water Supply Off

LMT - The water supply was off to the bathtub and therefore it was not tested for functionality. I recommend confirming proper operation prior to closing.

Shower(s): **Water Off**

LMT - The showers were not inspected due to the water supply being off. I recommend confirming proper operation prior to closing.

Toilet(s): **Water Supply Off**

LMT - The water supply was off for the toilet, and the toilet was not tested for functionality. **I recommend confirming proper operation prior to the end of your inspection contingency period.**

Recommendations

8.7.1 Toilet(s)

Marginal Defect

TOILET - LOOSE AT FLOOR

1ST FLOOR BATHROOM

The toilet was loose at the floor anchor bolts. This can hinder a proper connection between the wax ring and toilet flange, which could allow for leaking. Evaluation of the toilet and wax ring, and re-securing as needed to ensure no leaking will occur is recommended to be conducted by a licensed plumber.

Recommendation

Contact a qualified plumbing contractor.

9: LAUNDRY

Information

General Info: **Dryer Energy Source**

Electric

General Info: **Laundry View**

Dryer Vent: **Dryer Vent Termination Point**

Exterior

Visible Plumbing - Laundry: **Plumbing Information - No Washer Present**

The washing machine water supply valves were visually inspected and no deficiencies were present at the time of inspection unless otherwise noted in this report. The standpipe (washer drain pipe) was not tested for leaks as a washing machine would need to be present to discharge water into the drain. The functionality of the drain is excluded from this inspection.

Dryer Vent: **Dryer Vent Information**

The dryer vent was inspected to ensure it terminated to the exterior of the home and that no damage was present at visible portions. No deficiencies were observed with visible portions of the vent unless otherwise noted in this report. **It is highly recommended to have the duct cleaned prior to using the dryer as this maintenance is rarely performed by homeowners. Lint build-up or a blockage in the duct is a common cause of home fires annually.**

Recommendations

9.3.1 Dryer Vent

Marginal Defect

DRYER EXHAUST -FAN PRESENT

An inline fan is present at dryer exhaust. A fan should not be necessary to properly vent dryer exhaust. Evaluation of dryer exhaust by a qualified contractor with repairs made as necessary is recommended.

10: HEATING, COOLING

Information

Exterior Unit(s) : Exterior Unit Energy Source & Type
Electric AC Unit

Exterior Unit(s) : Exterior Unit Location
Rear of home

Exterior Unit(s) : Exterior Unit Manufacturer
Goodman

Interior Unit(s) : Interior Unit(s) Location
Laundry Room

Interior Unit(s) : Interior Unit(s) Energy Source and Distribution
Gas Forced Air

Interior Unit(s) : Interior Unit Manufacturer
Goodman

Interior Unit(s) : Interior Units Manufacture Year
2018

The typical life expectancy of gas fired furnaces is 20-25 years.

Condensate Drain Pipe: Condensate Drain Termination Point
Undetermined

Thermostat(s): Thermostat Location(s)
Hallway

Air Filter/Return Plenum: Filter Location(s)
At Interior Unit

Air Filter/Return Plenum: Filter Size
16 X 25

Cooling Source Present in Each Room: Cooling Source Present in Each Room
Undetermined

Heating Source Present in Each Room: Heating Source Present In Each Room
Undetermined

General Info: HVAC Testing Information

The inspection of the heating system is limited to the response of the system at normal operating controls (the thermostat) in both heating and cooling modes (weather permitting); a non-invasive visual observation of the exterior and interior equipment, and the removal of any access panels made for removal by a homeowner (not requiring ANY tools). If a more thorough inspection is desired, an HVAC contractor should be consulted.

General Info: Split System HVAC Present

This home contained a split system for heating and cooling which typically consists of four main parts:

- An Exterior unit (Heat Pump or AC Unit)
- An Interior unit (Electric Air Handler or Gas Furnace)
- A Thermostat

- And Interior ductwork to distribute conditioned air throughout the home

Exterior Unit(s) : Exterior Unit Manufacture Year

2018

The typical life expectancy of exterior units is approximately 15-20 years.

Exterior Unit(s) : AC Unit Not Tested - Temperature

LMT - The AC unit(s) were visually inspected with no indications of deficiencies observed at the time of inspection unless otherwise noted in this report. The AC function of the unit(s) was not tested due to temperatures below 60 degrees. The oil that lubricates the compressor is a heavier weight designed for use in summer weather, and this oil thickens in colder temperatures, and can't provide the proper protection for the compressor in cooler temperatures. The AC function shouldn't be initiated until the temperature rises to over 60 degrees, for several days. Therefore the cooling function of the unit is excluded from this inspection. I recommend consulting with the sellers in regards to the unit's past cooling performance, obtaining maintenance records, and if a concern that it wasn't able to be tested, having an HVAC contractor to evaluate the system. More information can be found at the link below:

http://www.webhvac.com/2012/01/will-running-an-air-conditioner-in-cold-weather-damage-it/

Interior Unit(s) : Interior Unit(s) Information

The interior unit(s) were inspected visually and tested by ensuring they responded to normal operating controls (at the thermostat), and that conditioned air was produced. The unit(s) responded to normal operating controls and no indications of deficiencies were observed at the time of inspection, unless otherwise noted in this report.

Condensate Drain Pipe: Condensate Pump Information

LMT - A condensate pump was present to carry condensate from the interior unit's location to the exterior. Condensate pumps are not tested for functionality, as water would have to be poured into the unit to initiate a pump cycle. These units are inspected by looking for water spillage around the unit, which would indicate a failure of the unit. No deficiencies were observed at the time of inspection, unless otherwise noted in this report.

Condensate Drain Pipe: **Drain Pipe Information**

The condensate drain pipe was inspected looking for the presence of a "trap" and significant deficiencies, as well as reporting on its termination point. Often times the pipe or vinyl tubing passes through walls and/or ceilings, rendering it non-visible in these areas, and the condition of the pipe in these areas is excluded from this inspection. No deficiencies were observed at visual portions, at the time of inspection, unless otherwise noted in this report.

Thermostat(s): **Thermostat Information**

The thermostat was operated to determine it activated the HVAC system. No indications of any deficiencies were observed at the time of inspection unless otherwise noted in this report.

Air Filter/Return Plenum: **Filter/Plenum Information**

The return air grille, air filter, and return air plenum were inspected at visible portions looking for any significant deficiencies, gaps in the plenum, dirty filter(s), or an accumulation of dust. Changing the filter every 30 days - 3 months depending on the style of filter used is recommended. This is one of the most important "maintenance" items you can perform as a dirty filter puts additional strain on the air handler and may cause damage to the unit.

HVAC Supply Registers: **HVAC Supply Information**

Accessible and visible HVAC registers were inspected to determine conditioned air supply was produced (CFM air flow is not tested for). No indications of deficiencies were observed at the time of inspection unless otherwise noted in this report.

Visible Ductwork: **Ductwork Information - Finished Ceilings**

Most portions of the ductwork were not visible due to finished ceilings. No deficiencies were present at visible portions unless otherwise noted in this report.

11: WATER HEATER

Information

Water Heater Condition: Water Heater Location
Utility Room

Water Heater Condition: Water Heater Manufacturer
Rheem

Water Heater Condition: Capacity
40 Gallons

Water Heater Condition: Energy Source
Gas

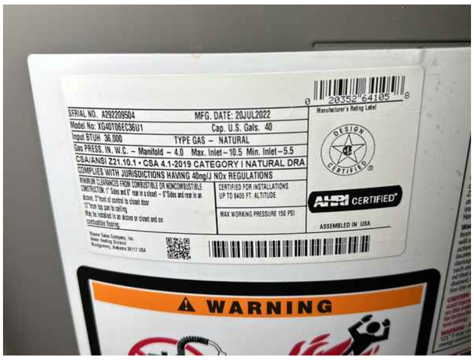
Water Heater Condition: Manufacture Year
2022

The typical life expectancy of a water heater is 13-15 years.

Water Heater Condition: Water Temperature
Not Tested

Water Heater Condition: Not Tested - Water Off

EXCL - The water was off at the time of inspection, and the water heater was not tested for functionality. Only visual observations will be included in the report. I recommend confirming proper operation of the unit prior to closing.



Recommendations

11.1.1 Water Heater Condition

Marginal Defect

WATER HEATER FLUE VENT - UNDERSIZED

The water heater flue vent is undersized by today's standards. Evaluation and replacement of flue vent should be completed by a qualified professional.

Recommendation

Contact a qualified professional.

12: PLUMBING

Information

Water Pipes: **Service Pipe Material (Visible Portions)**
Undetermined

Water Pipes: **Water Distribution Pipe Material (Visible Portions)**
Copper

Drain, Waste, and Vent Pipes (DWV): **DWV Material Type (Visible Portions)**
ABS, PVC

Functional Flow: **Functional Flow**
Not Tested

Functional Drainage: **Functional Drainage**
Not Tested

Gas Pipes: **Gas Pipe Material**
Black Iron

General Info: Shutoff Valves Operation

EXCL - Homes contain multiple water shutoff valves; including the main water shutoff valve, and shutoff valves for sinks, toilets, dishwashers, etc. These valves are not operated for any reason and their ability to properly shut off the water is excluded from this inspection. These types of valves are rarely used, and due to that fact, the neoprene washers and other internal components become brittle with age, which can allow for leaking of these valves once operated. I recommend having the seller(s) demonstrate the operation of any of these valves that are of concern, and to expect leaking to occur once operated.

Main Water Shutoff Valve : Main Shutoff Information

The main water shutoff valve was inspected by reporting on its location as well as looking for any significant deficiencies. No reportable conditions were present at the time of inspection unless otherwise noted in this report. The valve is not operated to test its functionality.

Water Pipes: Most Portions Not Visible - Slab

LMT - Most portions of the water distribution pipes were not visible due to a slab foundation. The inspection is limited to visual portions, and any items not visible are excluded from this inspection.

Drain, Waste, and Vent Pipes (DWV): Most Portions Not Visible - Slab

LMT - The DWV pipes were not visible or fully visible due to the slab foundation. Any portions not visible are excluded from this inspection.

Functional Flow: Flow Information

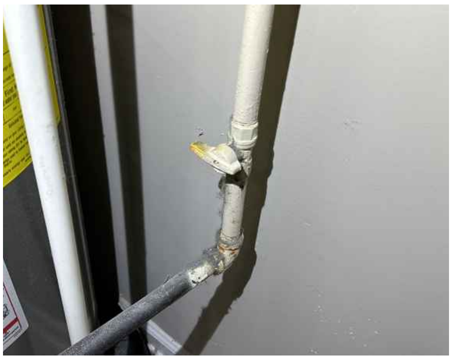
Water was ran from multiple faucets simultaneously to gauge that there was not a significant reduction in flow as a result of doing so. No significant reduction occurred at the time of inspection unless otherwise noted in this report.

Functional Drainage: Drainage Information

Water was ran through all drains in the home for an extended period of time to determine if functional drainage was occurring. No hindered drainage was present at the time of inspection unless otherwise noted in this report. Lived-in conditions can not be adequately replicated during an inspection and we have no control of future drainage conditions due to lived-in usage (solids being flushed down the system, etc.).

Gas Pipes: **Gas Pipes Information**

Visible portions of the gas pipes appeared to be in satisfactory condition at the time of inspection.



Recommendations

12.7.1 Gas Pipes

Marginal Defect

GAS LINES TAPED

Gas lines were present in laundry area with a rubber tape wrapped around joints. These pipes should evaluated for proper connections by a licensed plumbing contractor with repairs made as necessary,

13: ELECTRICAL

Information

Service Entrance: **Service Entrance Type**

Underground Service Lateral

Service Amperage: **Service Amperage**

150amps 120/240VAC

Service Amperage: **Service Entrance Conductors Type**

2/0 Aluminum

Service Equipment/Electrical Panel: Electrical Panel / Service Equipment Location
Exterior Closet

Service Equipment/Electrical Panel: Electrical Panel Manufacturer
Square D

Service Grounding/Bonding: GEC Present
Yes

Service Grounding/Bonding: Grounding Electrode Type
Undetermined

Service Grounding/Bonding: Gas Pipe Bonding Present
Not Visible

Service Grounding/Bonding: Water Pipe Bonding Present
Yes

Branch Wiring : Visible Branch Wiring Type
NM Sheathed Cable

Branch Wiring : 15 & 20amp Branch Wiring Metal Type
Copper

Smoke Alarms/Detectors: Smoke Alarms Presence at All Required Locations
Undetermined

CO Detectors: CO Alarms Present at all Recommended Locations?
Undetermined

General Info: Low Voltage Systems/Wiring Not Inspected

EXCL - Any low voltage systems in the home were not inspected and are excluded from this inspection. Including but not limited to: phone/telecom systems, cable coaxial systems, ethernet wiring, alarm systems, low voltage lighting and applicable wiring, etc.

Service Disconnect: Service Disconnect Information

The service disconnect or main OCPD (over current protection device) was inspected looking for any deficiencies and reporting on its location. This disconnect can be a breaker, fuse block, or kill switch. This is the means of shutting off all electricity entering the home.

Service Amperage: Service Amperage

The service amperage is determined by inspecting the service entrance conductors size as well as the service disconnects size. Voltages are not tested for and therefore not confirmed, so 120/240VAC is presumed. If a concern, a licensed electrician could test for proper voltages to see if 120/208VAC is present. In some situations the sizing of the service entrance conductors will not be legible or marked and the stated amperage will be followed by "presumed" as it could not be verified.

Service Equipment/Electrical Panel: Electrical Panel / Service Equipment Information

The main electrical panel (called service equipment when it contains the service disconnect) was inspected looking for any wiring deficiencies or damage that may be present in the panel.


Service Grounding/Bonding: Gas Pipe Bonding Not Visible - Slab Foundation

LMT - Confirmation of gas pipe bonding was not possible due to finished walls and a slab foundation. I recommend ensuring that the gas pipes are bonded prior to closing.

Branch Wiring : Branch Wiring Information

The branch wiring was inspected at visible portions looking for any significant deficiencies or defects that could be a fire and/or safety hazard; including but not limited to: connections made outside of a junction box, wiring terminations, open junction boxes, damage, the wiring material, improper support, etc. The majority of branch feeders are not visible due to being behind wall and ceiling coverings, insulation, etc. No significant deficiencies were visibly present at the time of inspection unless otherwise noted in this report.

Breakers: Breakers Information

The breakers were inspected looking for any visible signs of damage due to arcing, heat, etc. Corresponding conductors were inspected looking for multiple lugging, sizing, damage, etc. No deficiencies were present at the time of inspection unless otherwise noted in this report.

Breakers: Breaker(s) Taped in Off Position

FYI - There were breaker(s) present that were taped in the "off" position. I recommend consulting with the seller(s) as to why this was done.

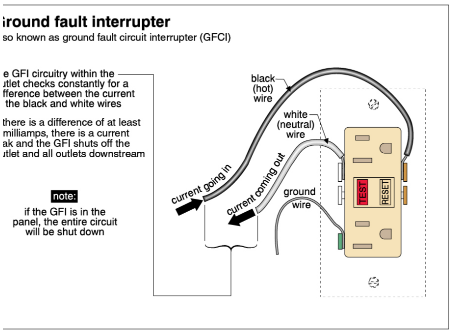
GFCI Protection: GFCI Information

Ground Fault Circuit Interrupter (GFCI) is a protection feature that allows a circuit or receptacle to "trip" or "shut off" if as little as a 5 milliamp differential is detected between the "hot" and "neutral" conductors. This protection is recommended for receptacles within 6 feet of the edge of a sink or where something plugged into a receptacle could come into contact with water, including bathrooms, kitchens, on the exterior, in garages, laundry rooms, and basements and crawl spaces. Although GFCI protection may not have been required in some or all of these areas when the home was built, their installation is highly recommended and is typically inexpensive.

GFCI protection is only tested for if the circuit is protected by a visible receptacle containing a "Test" and "Reset" button, or a GFCI breaker in the electrical panel, as the UL (underwriters laboratory) only recognizes testing this protection by depressing the "Test" button on the receptacle or breaker and not by the use of a polarity tester.

As well, testing with a polarity tester can trip a hidden GFCI leaving the circuit inoperable. Please see above for area(s) that were not able to be tested or confirmed for GFCI protection, and these area(s) are recommended to be tested for GFCI protection when personal belongings have been removed from the home.

More information on GFCI protection and the year's certain areas were required to be protected can be viewed here: https://prohitn.com/gfci-protection/



Receptacles: Receptacle Information

A representative number of receptacles throughout the home were tested with a polarity tester to confirm proper wiring. No wiring deficiencies were reported by the tester unless otherwise noted in this report.

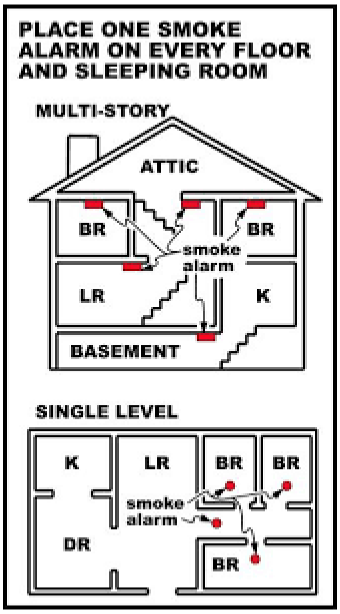
Receptacles: 220V/240V Receptacle(s) Not Tested

EXCL - 220V/240V receptacles and 20amp dedicated receptacles are not tested for functionality or polarity, as they can not be tested with a standard receptacle polarity tester. Only visual deficiencies will be reported on with relation to these receptacle(s).

Smoke Alarms/Detectors: Smoke Alarms Information

Smoke alarms are recommended to be installed in each sleeping room, (1) outside of each sleeping room(s), and one per level including habitable attics and basements. **I recommend replacing the batteries and testing the smoke alarms before spending your first night in the home.** Several other recommendations relating to smoke alarms and fire safety are recommended by the NFPA, and can be found here:

http://www.nfpa.org/public-education/by-topic/smoke-alarms/installing-and-maintaining-smoke-alarms



CO Detectors: CO Alarm Information

Carbon Monoxide (CO) detectors are recommended to be installed outside of each sleeping area, in the area(s) of any gas appliances, and any fireplace(s). CO alarms are recommended if any gas appliances are present in the home or if the home contains a garage. More information about CO detectors and there requirements can be found here:

https://www.nfpa.org/Public-Education/By-topic/Fire-and-life-safety-equipment/Carbon-monoxide

Ceiling Fans: **Ceiling Fan Information**

A representative number of ceiling fans were inspected by ensuring they powered on and did not wobble excessively, as well as looking for other deficiencies.

Switches, Lights: **Switches, Lights Information**

A representative number of switches and lights were tested throughout the home and were found to be in good working order. No deficiencies were observed unless otherwise noted in this report.

Recommendations

13.5.1 Service Equipment/Electrical Panel

Marginal Defect

NEUTRAL(S) - SHARING TERMINAL(S)

Grounded "neutral" conductors were sharing a terminal with another neutral and/or ground wire(s) (EGC's) on the terminal bar(s). When a neutral conductor is sharing a terminal with another neutral conductor, it can prevent a circuit from safely being isolated for repair. It can also create an overvoltage condition that may damage lighting and appliances during servicing of the panel and circuits.

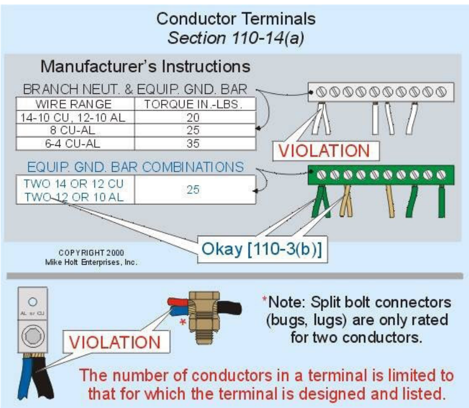
While mixed neutrals and grounds at a terminal can potentially allow current to flow on an ground wire during servicing of a circuit, which can possibly create a shock hazard on metal appliances on one circuit, or an overcurrent situation on another circuit.

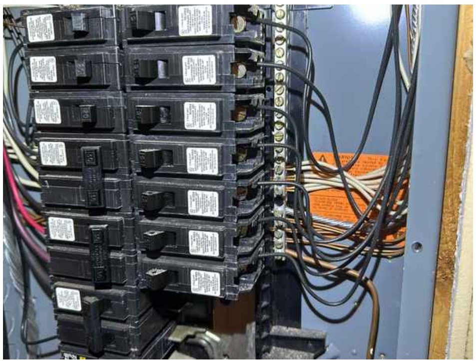
All grounded neutral conductors in this panel are recommended to be isolated on a separate terminal on the terminal bar by a licensed electrician.

More info can be found here: https://prohitn.com/home-inspection-documents/

Recommendation

Contact a qualified electrical contractor.





13.10.1 Receptacles

Marginal Defect

RECEPTACLE(S) - LOOSE AT WALL

REAR RIGHT BEDROOM, REAR LEFT BEDROOM, , MASTER BEDROOM, 2ND FLOOR HALL, LIVING ROOM

There were receptacles present throughout home that were loose at the wall. Evaluation with proper securement of any loose receptacles is recommended to be conducted by a licensed electrician.

Recommendation

Contact a qualified electrical contractor.




14: ATTIC, ROOF STRUCTURE, & VENTILATION

Information

General Info/Limitations: Attic Accessibility Hindrances/Limitations
Framing, HVAC Ductwork, Insulation Covering Framing, Electrical Conductors, Walkboards Missing, Finished Portions, Insulation Level

Inspection Method: Inspection Method
From Access Opening

Inspection Method: Areas of Attic Not Visibly Accessible or Fully Accessible
Perimeter of Home, Center of Home

Attic Access: Access Location(s)
Hallway

Attic Access: Access Type(s)
Scuttle Hole(s)

Ventilation: Ventilation Types
Ridge Exhaust Venting, Soffit Inlet Vents

Roof Structure/Framing: Roof Structure Type
Roof Trusses, Sheathing

Insulation: Insulation Type
Fiberglass Batts

Insulation: Insulation Amount (Average)
6 - 10"

Exhaust Fan(s): Exhaust Fan

Vent(s) Termination Point(s)

Not Visible Due to Insulation

General Info/Limitations: Attic View(s)




General Info/Limitations: Accessibility Limitations

FYI - Attics are navigated as best I can and all related components are inspected visually from an area that does not put either myself or the home at risk. The method of inspection is at my sole discretion and depends on a number of factors including, but not limited to: accessibility, clearances, insulation levels, stored items, temperature, etc. The amount of the attic that was able to be physically and visually inspected safely will be listed as an approximate percentage above. The inspection of this area is limited to visual portions only, and any areas that were not visible are excluded from this inspection. Hidden attic damage is always possible, as no attic can be fully evaluated at the time of the inspection due to physical and visual obstructions and safety limitations. Insulation is not moved or disturbed for visual accessibility of any items.

Attic Access: Attic Access Information

The attic access(es) were inspected by reporting on their location and type, as well as looking for any significant defects in association with the access. No reportable conditions were present at the time of inspection unless otherwise noted in this report.

Ventilation: Ventilation Information

The attic ventilation was reported on by a visual inspection of the above designated ventilation sources, and looking for indications of improper ventilation. Measurements of ventilation sources are beyond the scope of a home inspection and were not conducted. No indications of inadequate ventilation was observed at the time of inspection unless otherwise noted in this report.

The attic and roof cavity ventilation is a frequently-misunderstood element of residential construction. All roof cavities are required to have ventilation. The general default standard is 1 sq ft of ventilation for every 150 sq ft of attic area and ideally, this comes from at least 60% lower roof cavity ventilation and 40% upper, but this is a wild over-simplifications of the subject. As a good guiding principle the most important elements for healthy attic spaces are:

- Make sure the ceiling between the living space and the attic is airtight.
- Ventilate consistently across the whole lower part of the roof cavity with low, intake soffit venting.
- Upper roof cavity venting is less important and if over-installed can exacerbate heat loss into the attic from the living space.
- Avoid power ventilators which can depressurize the attic and exacerbate air migration from the house into the attic.

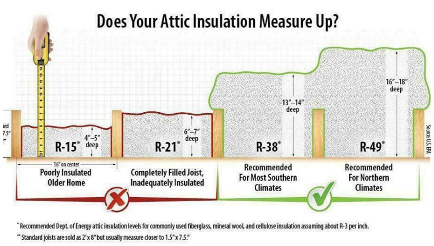
For more information, please see: https://www.greenbuildingadvisor.com/article/lstibureks-rules-for-venting-roofs

Roof Structure/Framing: **Roof Structure Information**

The roof structure was inspected at visible portions looking for any signs of moisture infiltration, damage, or other deficiencies. No reportable conditions or indications of past or present leaks were observed at the time of inspection unless otherwise noted in this report.

Insulation: **Insulation Information**

The insulation was inspected to determine the approximate depth and type. Current energy star standards recommend between 10 - 17 inches of insulation (dependent upon type) to achieve an R-38 rating. Depending on when the home was constructed anywhere from 6 - 14 inches may be present.



Exhaust Fan(s): **Exhaust Fan(s) Information**

Bathroom and kitchen (as applicable) exhaust fan ducts were inspected at visible portions ensuring that they vented to exterior air and that no damage was present to their ducts. No indications of deficiencies were present unless otherwise noted in this report.

Plumbing Stack Vents: **Vent Stack(s) Information**

Visible portions of the plumbing stack vent(s) were inspected looking for any disconnected portions and looking at the condition of the sheathing or decking surrounding them for indications of past or present leaks.

Chimney: **Chimney Information**

The portion of the chimney in the attic was inspected at visible portions looking for any signs of moisture infiltration where it protrudes through the roof, as well as looking for any other significant deficiencies.

Recommendations

14.7.1 Exhaust Fan(s)

Marginal Defect

UNDETERMINED VENT DISCINNECTED

An undetermined exhaust/vent that protrudes through roof is disconnected in attic. This ducting and it's source should be evaluated and repaired as necessary by a qualified contractor for proper operation and to endure proper venting of all exhaust systems.

14.8.1 Plumbing Stack Vents

Marginal Defect

MOISTURE STAINS AROUND PLUMBING VENTS

Moisture stains were present on the sheathing/decking around the plumbing stack(s). These stains may be aged, but should be treated as active until they prove themselves otherwise. A review by a qualified contractor is recommended, with repairs made as needed.

Recommendation

Contact a qualified roofing professional.

15: FOUNDATION - SLAB ON GRADE

Information

General Info: **Foundation Type**

Raised Slab

General Info: **Slab Foundation Information**

The inspection of slab foundations is limited to visual portions of the slab only. When floor coverings are present we will look for sloping floors, cracking of tile floor coverings, or any other floor covering deficiencies which may be indicators of slab foundation problems. No deficiencies were observed at visible portions unless otherwise noted in this report.

Slab Condition: **Slab Information - Not Visible**

EXCL - The condition of the slab was not visible due to being covered by floor coverings. The condition of the slab is excluded from this inspection.

16: ENVIRONMENTAL INFORMATION

Information

Odors Present: **Odor(s) Present in the Home**

Cigarette Smoke

Odors Present: **Odors Information**

If any odors are noticed in the home I will include them in this section with recommendations made as needed. If no additional information is included in this report in respect to odors, then no discernible odors were present or noticed in the home at the time of inspection.

Recommendations

16.1.1 Odors Present

Minor Defect, Maintenance Item, or FYI Item

REFERENCED ODOR(S) PRESENT

FYI - An odor or odor(s)(referenced above) was present in the home at the time of inspection. An evaluation and elimination of the odor as desired is recommended to be performed by a cleaning contractor or other qualified person.

Recommendation

Contact a qualified cleaning service.

16.2.1 Rodent/Vermin Concerns

Minor Defect, Maintenance Item, or FYI Item

EVIDENCE OF RODENT ACTIVITY

Evidence of past or present rodents were found at the referenced area(s). It is recommended inquire with the seller(s) as to rodent activity, and having an evaluation performed by a pest control company.

Recommendation

Contact a qualified pest control specialist.

STANDARDS OF PRACTICE

Inspection Information
The New Jersey rules and Standards of Practice regulating licensed home inspectors in the State of New Jersey as set forth by the Home Inspection Advisory Committee can be be found as the following link:

https://www.njconsumeraffairs.gov/regulations/Chapter-40-Subchapter-15-Home-Inspection-Advisory-Committee.pdf

REAL ESTATE PURCHASE ADDENDUM

This Real Estate Purchase Addendum ("Addendum") is to be made part of and incorporated into, the Real Estate Purchase Contract (the "Contract"), between Hudson Homes Management LLC as servicer for the owner of record ("Seller") and The Salt and Light Company, Inc. ("Purchaser") for the property and improvements located at the following address: 43 Sharpless Blvd, Westampton, NJ 08060 ("Property"). As used in this Addendum, the Contract, Addendum and any riders thereto shall be collectively referred to as the "Agreement." The Seller and the Purchaser agree as follows:

1. Offer:

(a) Acknowledgement of Sufficient Offer: The Purchaser has offered to purchase the property for a purchase price in the amount of $ 327,000.00 in accordance with the terms set forth in the Agreement ("Offer"). The Seller has reviewed the offer and deemed it materially sufficient on ________________________,20______("Acknowledgement Date").

(b) Acceptance of Offer: Notwithstanding Seller's acknowledgement that the Offer is sufficient for acceptance, the Purchaser agrees that the Agreement remains subject to acceptance by the Seller and must be signed by all parties in order to be binding. The Agreement shall be effective as of the date of execution by Seller ("Effective Date"). The Purchaser's earnest money deposit of $ 5,000.00 is to be placed in a trust account acceptable to the Seller within two (2) calendar days following the effective Date. The Agreement, signed by the Purchaser and reflecting the terms as acknowledged by the Seller, must be received by the Seller within five (5) calendar days of the Acknowledgement Date. If the Seller does not receive the signed Agreement by such date, the Purchaser's offer shall be deemed null and void. As used in this paragraph, the term "received by the Seller" means actual receipt of the Agreement by the Seller's listing agent.

The Purchaser shall present proof, satisfactory to the Seller, of the Purchaser's funds or prequalification for a mortgage loan in an amount and under terms sufficient for the Purchaser to perform its obligations under this Agreement. The prequalification shall include but is not limited to, a certification of prequalification or a mortgage loan commitment from a mortgage lender, a satisfactory credit report and/or proof of funds sufficient to meet the Purchaser's obligations under the Agreement. The Purchaser's submission of proof of prequalification is a condition precedent to the Seller's acceptance. The Seller may require the Purchaser to obtain, at no cost to the Purchaser, loan prequalification from a Seller approved third party lender. Notwithstanding any Seller-required prequalification, the Purchaser acknowledges that Purchaser is free to obtain financing from any source.

2. Time is of the Essence: Settlement Date:

(a) It is agreed that time is of the essence with respect to all dates specified in the Agreement. This means that all deadlines are intended to be strict and absolute.

(b) The closing shall take place on a date ("Settlement Date") on/or before April 23, 20 25 ("Expiration Date"), unless extended in writing signed by the Seller and the Purchaser or extended by the Seller under the terms of the Agreement The closing shall be held at a place so designated and approved by the Seller, unless otherwise required by applicable law. The date the closing takes place shall be referred to as the Settlement Date for purposes of the Agreement. If the closing does not occur by the Expiration Date, or in any extension, the Agreement is automatically terminated an d the Seller may retain any earnest money deposit as liquidated damages. If Seller agrees to a request from Purchaser to extend the Settlement Date, then Purchaser agrees to pay Seller a per-diem extension fee of $ 100.00 from the original Settlement Date through and including the extended Settlement Date.

3. Financing: This Agreement (check one): (X) is, (   ) is not, contingent on the Purchaser obtaining financing for the purchase of the Property. If this Agreement is contingent on financing, the type of financing shall be the following (check one):

____________ Conventional
____________ FHA
____________ VA
____________ Cash
_____X_____ Other (specify: Line of Credit)

All Financing. If this Agreement is contingent on financing, the Purchaser shall apply for a loan in the amount of $ 322,000.00 with a term of years, at prevailing rates, terms and conditions. The Purchaser shall complete and submit to a mortgage lender, of the Purchaser's choice, an application for a mortgage loan containing the terms set forth in this paragraph within five (5) calendar days of the Acknowledgement Date, and shall use diligent efforts to obtain a mortgage loan commitment by April 9, 20 25. **THE PURCHASER IS NOT REQUIRED TO USE A SPECIFIC MORTGAGE LENDER TO OBTAIN FINANCING.** If, despite the Purchaser's diligent efforts, the Purchaser cannot obtain a mortgage loan commitment by the specified date, then either the Purchaser or the Seller may terminate the Agreement by giving written notice to the other party. The Purchaser's notice must include a copy of the loan application, proof of the application date, and a copy of the denial letter from the prospective lender. In the event of a proper termination of the Agreement under this paragraph, the earnest money deposit shall be returned to the Purchaser, The Purchaser agrees to cooperate and comply with all requests for documents and information from the Purchaser's chosen lender during the loan application process. Failure of the Purchaser to comply with such requests from the lender that results in the denial of the mortgage loan will be a breach of the Agreement and the Seller shall be entitled to retain any earnest money deposited by the Purchaser.

(a) Any change as to the terms of the Purchaser's financing, including but not limited to any change in the Purchaser's lender, after negotiations have been completed may, at Seller's discretion, require renegotiation of all terms of the Agreement. Seller shall have the right to terminate the Agreement in the event there is a change in Purchaser's financing or choice of lender.

(b) The Purchaser shall ensure that the lender selected by the Purchaser to finance the sale shall fund the settlement agent as of the Settlement Date in accordance with paragraph 12 below. The Purchaser shall further ensure that the selected lender shall provide all lender prepared closing documentation to the settlement agent no later than 48 hours prior to the Settlement Date. Any delays in closing as a result of the Purchaser's selected lender shall be the responsibility of the Purchaser.

Notwithstanding any provision of the Contract to the contrary, in no event will the Contract be contingent on the ability of Purchaser to sell or close on other real estate owned by the Purchaser.

4. Use of Property: The Purchaser (check one): ( ) does, (X) does not, intend to use and occupy the Property as Purchaser's primary residence.

5. Inspections:

(a) On or before 5 calendar days from the Acknowledgement Date, the Purchaser shall inspect the Property or obtain for its own use, benefit and reliance, inspections and/or reports on the condition of the Property, or be deemed to have waived such inspection and any objections to the condition of the Property and to have accepted the Property. The Purchaser shall keep the Property free and clear of liens arising from any such inspections and indemnify and hold the Seller harmless from all liability claims, demands, damages, and costs related to the Purchaser's inspection and the Purchaser shall repair all damages arising from or caused by the inspections. The Purchaser shall not directly or indirectly cause any inspections to be made by any government building or zoning inspectors or government employees without the prior written consent of the Seller, unless required by law, in which case, the Purchaser shall provide reasonable notice to the Seller prior to any such inspection. If the Seller has winterized this Property and the Purchaser desires to have the Property inspected, the Seller's listing agent will have the Property de-winterized prior to inspection and re-winterized after inspection.

Within five (5) calendar days of receipt of any inspection report prepared by or for the Purchaser, but not later than ten (10) calendar days from the Acknowledgment Date, whichever first occurs, the Purchaser will provide written notice to the Seller of any items disapproved. The Purchaser's silence shall be deemed as acceptance of the condition of the Property. The Purchaser shall provide to the Seller, at no cost, upon request by the Seller, complete copies of all inspection reports upon which the Purchaser's disapproval of the condition of the property is based. In no event shall the Seller be obligated to make any repairs or replacements that may be indicated in the Purchaser's inspection reports or disapproved by Seller. The Seller may, in its sole discretion, make such repairs to the Property under the terms described in Section 6 of this Addendum. **THE PARTIES AGREE AND ACKNOWLEDGE THAT IN NO EVENT WILL SELLER BE OBLIGATED TO MAKE REPAIRS IN EXCESS OF $ 0.00 .**

If the Seller elects not to repair the Property as requested by Purchaser, the Purchaser may cancel this Agreement and receive all earnest money deposited. If the Seller elects to make any such repairs to the Property, the Seller shall notify the Purchaser after completion of the repairs and the Purchaser shall have five (5) calendar days from the date of notice, to inspect the repairs and notify the Seller of any items disapproved. If after inspection the Purchaser is not satisfied with repairs or treatments, Purchaser may terminate the Agreement at any time prior to closing.

In situations that are applicable, a structural, electrical, mechanical, environmental or termite inspection report may have been prepared for the benefit of the Seller. Upon request, the Purchaser will be allowed to review the report to obtain the same information and knowledge the Seller has about the condition of the Property but the Purchaser acknowledges that the inspection reports were prepared for the sole use and benefit of the Seller. The Purchaser will not rely upon any such inspection reports obtained by the Seller in making a decision to purchase the Property.

(b) If the Property is a condominium or planned unit development or co-operative, unless otherwise required by law, the Purchaser, at the Purchaser's own expense, is responsible for obtaining and reviewing the covenants, conditions and restrictions and bylaws of the condominium, or planned unit development or cooperative ("Governing Documents") within ten (10) calendar days of the Effective Date. The Seller agrees to use reasonable efforts, as determined in the Seller's sole discretion, to assist the Purchaser in obtaining a copy of the Governing Documents. The Purchaser will be deemed to have accepted the Governing Documents if the Purchaser does not provide the Seller notice in writing, within fifteen (15) calendar days of the Effective Date, of the Purchaser's disapproval of the Governing Documents. In the event Purchaser disapproves of the Governing Documents, Purchaser has the right to terminate the Agreement provided the Purchaser notifies Seller in writing of Purchaser's disapproval within fifteen (15) calendar days of the Effective Date.

6. Repairs: All repairs and treatments will be completed by a vendor approved by the Seller and engaged by the Seller or Seller's agent, and will be subject to the Seller's satisfaction only. IF THE SELLER HAS AGREED TO PAY FOR TREATMENT OF WOOD-INFESTING ORGANISMS, THE SELLER SHALL TREAT ONLY ACTIVE INFESTATION, AND IN NO EVENT WILL BE OBLIGATED TO PAY FOR SUCH TREATMENT IN EXCESS OF $ 0.00 . Neither the Purchaser, nor its representatives, shall enter upon the Property to make any repairs and/or treatments prior to closing. The Purchaser shall inspect the repairs and/or treatments as set forth in paragraph 5(a) or is deemed to have waived such inspection and any objections to the repairs

and/or treatments. The Purchaser acknowledges that all repairs and treatments are done for the benefit of the Seller and not for the benefit of the Purchaser and that the Purchaser has inspected or has been given the opportunity to inspect repairs and treatments. Any repairs or treatments made or caused to be made by the Seller shall be completed prior to closing. Under no circumstance s shall the Seller be required to make any repairs or treatments after the Settlement Date. The Purchaser acknowledges that closing on this transaction shall be deemed the Purchaser's reaffirmation that the Purchaser is satisfied with the condition of the Property and with all repairs and treatments to the Property and waives all claims relate d to such condition and to the quality of the repairs or treatments to the Property. Any repairs or treatments shall be performed for functional purposes only and exact restoration of appearance or cosmetic items following any repairs or treatments shall not be require d. The Seller shall not be obligated to obtain or provide to the Purchaser any receipts for repairs, or treatments, written statements indicating dates or types of repairs and or treatments or copies of such receipts or statements nor any other documentation regarding any repairs or treatments to the Property. THE SELLER DOES NOT WARRANT OR GUARANTEE ANY WORK, REPAIRS OR TREATMENTS TO THE PROPERTY.

7. **CONDITION OF PROPERTY: THE PURCHASER UNDERSTANDS THAT THE SELLER ACQUIRED THE PROPERTY BY FORECLOSURE, DEED-IN-LIEU OF FORECLOSURE, FORFEITURE, TAX SALE, OR SIM ILAR PROCESS AND THAT THE SELLER DID NOT OCCUPY THE PROPERTY. CONSEQUENTLY, THE SELLER MAYHAVE LITTLE OR NO DIRECT KNOWLEDGE CONCERNING THE CONDITION OF THE PROPERTY. AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THIS AGREEMENT AS NEGOTIATED AND AGREED TO BY THE PURCHASER AND THE SELLER, AND DESPITE ANY STATEMENT TO THE CONTRARY IN THE CONTRACT, THE PURCHASER ACKNOWLEDGES AND AGREES TO ACCEPT THE PROPERTY IN "AS-IS" CONDITION AT THE TIME OF CLOSING, INCLUDING, WITHOUT LIMITATION, ANY DEFECTS OR ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY, WHETHER KNOWN OR UNKNOWN, WHETHER SUCH DEFECTS OR CONDITIONS WERE DISCOVERABLE THROUGH INSPECTION OR NOT. THE PURCHASER ACKNOWLEDGES THAT THE SELLER, ITS AGENTS AND REPRESENTATIVES HAVE NOT MADE AND THE SELLER SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, A G R E E M E N T S OR GUARANTEES, IMPLIED OR EXPRESS, ORAL OR WRITTEN WITH RESPECT TO THE FOLLOWING:**

(A) THE PHYSICAL CONDITION OR ANY OTHER ASPECT OF THE PROPERTY INCLUDING THE STRUCTURAL INTEGRITY OR THE QUALITY OR CHARACTER OF MATERIALS USED IN CONSTRUCTION OF ANY IM PROVEM ENTS (E.G., DRYWALL, ASBESTOS, LEAD PAINT, UREA FORM ALDEHYDE FOAM INSULATION), AVAILABILITY AND QUANTITY OR QUALITY OF WATER, CONNECTION TO A PUBLIC SEWER OR WATER SUPPLY, STABILITY OF THE SOIL, SUSCEPTIBILITY TO LANDSLIDE OR FLOODING, SUFFICIENCY OF DRAINAGE, WATER LEAKS, WATER DAM AGE, MOLD OR ANY OTHER MATTER AFFECTING THE STABILITY, INTEGRITY, OR CONDITION OF THE PROPERTY OR ANYIMPROVEMENTS;

(B) THE CONFORM ITY OF THE PROPERTY, OR THE IMPROVEM ENTS, TO ANY ZONING, LAND USE OR BUILDING CODE REQUIREM ENTS OR COMPLIANCE WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY FEDERAL, STATE OR LOCAL GOVERNM ENTAL AUTHORITY, OR THE GRANTING OF ANY REQUIRED PERM ITS OR APPROVALS, IF ANY, OF ANY GOVERNMENTAL BODIES WHICH HAD JURISDICTION OVER THE CONSTRUCTION OF THE ORIGINAL STRUCTURE, ANY IMPROVEM ENTS AND OR ANY REMODELING OF THE STRUCTURE; AND

(C) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY OR IMPROVEMENTS INCLUDING REDHIIBITORY VICES AND DEFECTS, APPARENT, NON APPARENT OR LATENT, WHICH NOW EXIST OR WHICH MAY HEREAFTER EXIST AND WHICH, IF KNOWN TO THE PURCHASER, WOULD CAUSE THE PURCHASER TO REFUSE TO PURCHASE THE PROPERTY.

IT IS THE EXPRESS INTENTION OF SELLER AND PURCHAER THAT THE ONLY WARRANTIES, REPRESENTATIONS OR STATEMENTS (IF ANY) MADE BY SELLER AND RELIED UPON BY PURCHASER ARE THOSE THAT MAY BE CONTAINED IN THIS ADDENDUM.

Mold, mildew, spores and/or other microscopic organisms and/or allergens (collectively referred to in this Agreement as "Mold") are environmental conditions that are common in residential properties and may affect the Property. Mold, in some forms, has been reported to be toxic and to cause serious physical injuries, including but not limited to, allergic and/or respiratory reactions or other problems, particularly in persons with immune system problems, young children an d/or elderly persons. Mold has also been reported to cause extensive damage to personal and real property. Mold may have been removed or covered in the course of any cleaning or repairing of the Property. The Purchaser acknowledges that, if Seller, or any of Seller's employees, contractors, or agents cleaned or repaired the Property or remediated Mold contamination, that Seller does not in any way warrant the cleaning, repairs or remediation. Purchaser accepts full responsibility for all hazards that may result from the presence of Mold in or around the Property. The Purchaser is satisfied with the condition of the Property notwithstanding the past or present existence of Mold in or around the Property and Purchaser has not, in any w ay, relied upon any representations of Seller, Seller's employees, officers, directors, contractors, or agents concerning the past or present existence of Mold in or around the Property.

If at any time the Property conditions result in violations of building code or other laws or regulations, either party shall have the right to terminate the Agreement at any time prior to closing. If there is an enforcement proceeding arising from allegations of such violations before an enforcement board, special master, court or similar enforcement body, and neither the Purchaser nor the Seller terminate this Agreement, the Purchaser agrees (a) to accept the Property subject to the violations, (b) to be responsible for compliance with the applicable code and with orders issued in any code enforcement proceeding and (c) to resolve the deficiencies as soon as possible after the closing. The Purchaser agrees to execute any and all documents necessary or required for closing by any agency with jurisdiction over the Property. The Purchaser further agrees to indemnify the Seller from any and all claims or liability arising from the Purchaser's breach of this Section 7 of this Addendum.

Purchaser acknowledges that Seller or Seller's agent has furnished Purchaser with a Lead Paint Pamphlet in accordance with guidelines of the U.S. Department of Housing and Urban Development and the U.S. Environmental Protection Agency for the implementation of the Residential Lead-Based Paint Hazard Reduction Act.

The closing of this sale shall constitute acknowledgement by the Purchaser that Purchaser had the opportunity to retain an independent, qualified professional to inspect the Property and that the condition of the Property is acceptable to the Purchaser. The Purchaser agrees that the Seller shall have no liability for any claims or losses the Purchaser or the Purchaser's successors or assigns may incur as a result of construction or other defects which may now or hereafter exist with respect to the Property.

8. <u>Occupancy Status of Property</u>: The Purchaser acknowledges that neither the Seller, nor its representatives, agents or assigns, has made any warranties or representations, implied or expressed, relating to the existence of any tenants or occupants at the Property unless otherwise noted in Section 38 of this Addendum. Seller represents that the Property may have tenants occupying same under an active lease but expressly disclaims any warranties regarding the validity, enforceability, performance under or continuation of said lease. The Purchaser acknowledges that closing on this transaction shall be deemed the Purchaser's reaffirmation that neither the Seller, nor its representatives, agents or assigns, has made any warranties or representations, implied or expressed, relating to the existence of any tenants or occupants at the Property unless otherwise noted in Section 38 of this Addendum. The Seller, its representatives, agents or assigns, shall not be responsible for evicting or relocating any tenants, occupants or personal property at the Property prior to or subsequent to closing unless otherwise noted in Section 38 of this Addendum. All leases shall be deemed assigned to Purchaser upon closing to the extent permitted under applicable laws.

   The Purchaser further acknowledges that, to the best of the Purchaser's knowledge, the Seller is not holding any security deposits from former or current tenants and has no information as to such security deposits as may have been paid by the former or current tenants to anyone. Purchaser agrees that no sums representing such tenant security deposits shall be transferred to the Purchaser as part of this transaction. The Purchaser further agrees to assume all responsibility and liability for the refund of such security deposits to the tenants pursuant to the provisions of applicable laws and regulations. All rents due and payable and collected from tenants for the month in which closing occurs will be prorated according to the provisions of Section 10 of this Addendum.

   The Purchaser acknowledges that this Property may be subject to the provisions of local rent control ordinances and regulations. The Purchaser agrees that upon the closing, all eviction proceedings and other duties and responsibilities of a property owner and landlord, including but not limited to those proceedings required for compliance with such local rent control ordinances and regulations, will be the Purchaser's sole responsibility.

9. <u>Personal Property</u>: Items of personal property, including but not limited to window coverings, appliances, manufactured homes, mobile homes, vehicles, spas, antennas, satellite dishes and garage door openers, now or hereafter located on the Property are not included in this sale or the Purchase Price unless the personal property is specifically described and referenced in Section 38 of this Addendum. Any personal property at or on the Property may be subject to claims by third parties and, therefore, may be remove d from the Property prior to or after the closing. The Seller makes no representation or warranty as to the condition of any personal property, title thereto, or whether any personal property is encumbered by any liens. The Seller assumes no responsibility for any personal property remaining on the Property at the time of closing.

10. <u>Taxes and Prorations:</u>

   (a) The Purchaser and the Seller agree to prorate the following expenses as of the Settlement Date: utility, water and sewer charges, real estate taxes and assessments, common area charges, condominium or planned unit development or similar community assessments, cooperative fees, maintenance fees and rents, if any. In determining prorations, the Settlement Date shall be allocated to the Purchaser. Payment of special assessment district bonds and assessments, and payment of homeowner's association or special assessments shall be paid current and prorated between the Purchaser and the Seller as of Settlement Date with payments not yet due and owing to be assumed by the Purchaser without credit toward Purchase Price. The Property taxes shall be prorated based on an estimate or actual taxes from the previous year on the Property. All prorations shall be based upon a 30-day month and all such prorations shall be final. The Seller shall not be responsible for any amounts due, paid or to be paid after closing, including but not limited to, any taxes, penalties or interest assessed or due as a result of retroactive, postponed or additional taxes resulting from any change in use of, or construction on, or improvement to the Property, or an adjustment in the appraised value of the Property. In the event the Seller has paid any taxes, special assessments or other fees and there is a refund of any such taxes, assessments or fees after closing, and the Purchaser as current owner of the Property receives the payment, the Purchaser will immediately submit the refund to the Seller. Notwithstanding the foregoing, Seller will not be responsible for homeowners' association assessments on the Property that accrued prior to the date that Seller acquired the Property.

(b) The Seller will pay state taxes, tax stamps on deeds, and other transfer taxes required to be paid or customarily paid by a property seller.

(c) The Seller shall pay the real estate commission per the listing agreement between the Seller and the Seller's listing broker.

(d) Purchaser shall release Seller from any and all claims arising from the adjustments or prorations or errors in calculating the adjustment or prorations that are or may be discovered after closing.

11. Closing Costs and Concessions:

(a) REGARDLESS OF LOCAL CUSTOM, REQUIREMENTS OR PRACTICE, AND NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE CONTRACT OF SALE OR ANY OTHER ADDENDA, SELLER WILL NOT PAY ANY FEES, COSTS OR EXPENSES NOT EXPRESSLY PROVIDED FOR IN THIS ADDENDUM.

(b) Purchaser shall pay all of a Purchaser's customary closing costs (which shall include lender charges, survey and any FHA/VA non-allowables), except for Seller's contribution toward such closing costs. The amount to be contributed by Seller toward closing costs shall not exceed $ 0.00 ____________________. Seller's contribution may be applied to any or all of the following actual expenses: FHA or VA non-allowables, non-recurring closing costs, discount points, loan origination fees, other customary and reasonable lender fees and pre-paid expenses, survey, and appraisal. In the event the total of closing costs are less than the amount of Seller's contribution toward closing costs, then Seller's contribution shall be limited to the total of such actual closing costs. In any event, Seller will not be obligated to make a contribution toward any closing costs if Purchaser does not pursue and obtain the financing specified in Section 3 of this Addendum.

(c) The parties agree to the following with respect to the selection of a Closing Agent and title insurance agent:

i. Seller hereby notifies Purchaser that Purchaser has the right to make an independent selection of the Closing Agent and title insurance agent used in connection with the sale of the Property.

ii. If Purchaser agrees to use the Closing Agent recommended by Seller, then Seller agrees to pay for the actual premium amount of an owner's policy of title insurance from a title insurance agent of Seller's choosing. Seller will not be obligated to pay any portion of the cost of an owner's policy of title insurance if the Purchaser does not select the Closing Agent recommended by Seller or if prohibited by applicable local, state, or federal law.

iii. Purchaser acknowledges that Purchaser is not required by Seller to purchase either an owner's or lender's policy of title insurance. However, the lender, if an y, from which Purchaser obtains a mortgage may impose a requirement to purchase a lender's policy of title insurance upon Purchaser. Purchaser agrees it will contact its lender, if any, for more information if Purchaser has any questions regarding the obligation to purchase a lender's policy of title insurance.

iv. Purchaser acknowledges the notice and information provided in this section 11.(c)iii. and makes the following selection (Purchaser must choose one):

☐ Selection of a Closing Agent not recommended by Seller. Purchaser selects the following company to act as Closing Agent: ____. The Purchaser will be responsible for payment of the owner's policy of title insurance, if any.

☐ Selection of a company recommended by Seller. Purchaser selects the following company, which has been recommended by Seller, to be the Closing Agent in connection with Purchaser's purchase of the Property (Name of Seller's Closing Company):____. The Seller will pay for the owner's policy of title insurance. Purchaser shall be responsible to purchase and pay for a lender's policy of title insurance if Purchaser so chooses or is required to purchase one.

12. Delivery of Funds: Regardless of local custom, requirements, or practice, upon delivery of the deed by the Seller to the Purchaser, the Purchaser shall deliver, or cause to be delivered, all funds due the Seller via wire transfer.

13. Certificate of Occupancy: If the Property is located in a jurisdiction that requires a certificate of occupancy, smoke detector certification, septic certification or any similar certification or permit ("Certificate of Occupancy") or any form of improvement or repair to the Property to obtain such Certificate of Occupancy necessary for the Property to be occupied, the Purchaser understands that the Seller requires the Certificate of Occupancy to be obtained by the Purchaser

at the Purchaser's sole expense. The Purchaser shall make application for all Certificates of Occupancy within ten (10) calendar days of the Acknowledgement Date. The Purchaser shall not have the right to delay the closing due to the Purchaser's failure or inability to obtain any required Certificate of Occupancy. Failure of the Purchaser to obtain and furnish the Certificate of Occupancy shall be a material breach of the Agreement.

14. Delivery of Possession of Property: The Seller shall deliver possession of the Property to the Purchaser at closing and funding. The delivery of possession shall be subject to the rights of any tenants or parties in possession per Section 8 of this Addendum. If the Purchaser alters the Property or causes the Property to be altered in any way and/or occupies the Property or allows any other person to occupy the Property prior to closing without the prior written consent of the Seller, such event shall constitute a breach by the Purchaser under the Agreement and the Seller may terminate the Agreement and the Purchaser shall be liable to the Seller for damages caused by any such alteration or occupation of the Property prior to closing and waives any and all claims for damages or compensations for alterations made by the Purchaser to the Property including, but not limited to, any claims for unjust enrichment.

15. Deed: Regardless of local practice, the deed to be delivered by Seller at closing shall be a deed that covenants that grantor grants only that title which grantor may have and that grantor will only defend title against persons claiming by, through, or under the grantor, but not otherwise. Any reference to the term "Deed" or "Special Warranty Deed" herein shall be construed to refer to such form of deed. Under no circumstances shall Seller be required to deliver any form of deed which grants a general warranty of title.

    _____(check if applicable) Seller's deed shall include the following deed restriction:

16. Defects in Title: If the Purchaser raises an objection to the Seller's title to the Property, which, if valid, would make title to the Property uninsurable, as determined by Seller in its sole discretion, the Seller shall have the right unilaterally to terminate the Agreement by giving written notice of the termination to the Purchaser. However, if the Seller is able to correct the problem through reasonable efforts, as the Seller determines, at its sole and absolute discretion, prior to the Expiration Date, including any written extensions, or if title insurance is available from a reputable title insurance company at regular rates containing affirmative coverage for the title objections, then the Agreement shall remain in full force and the Purchaser shall perform pursuant to the terms set in the Agreement. The Seller is not obligated to remove any exception or to bring any action or proceeding or bear any expense in order to convey title to the Property or to make the title marketable and/or insurable, but any attempt by the Seller to remove such title exceptions shall not impose an obligation upon the Seller to remove those exceptions. The Purchaser acknowledges that the Seller's title to the Property may be subject to court approval of foreclosure or to mortgagor's right of redemption. In the event the Seller is not able to (a) make the title insurable or correct any problem or (b) obtain title insurance from a reputable title insurance company, all as provided herein, the Purchaser may terminate this Agreement and any earnest money deposit will be returned to the Purchaser as the Purchaser's sole remedy at law or equity. The Purchaser elects to take title subject to the title objections, the Purchaser shall so notify the Seller. The Purchaser's silence as to any title objections shall be deemed as acceptance.

    The Purchaser represents and warrants to the Seller the following:

    (a) The Purchaser is purchasing the Property solely in reliance on its own investigation and inspection of the Property and not on any information, representation or warranty provided or to be provided by the Seller, its servicers, representatives, brokers, employees, agents or assigns;

    (b) Neither the Seller, nor its servicers, employees, representatives, brokers, agents or assigns, has made any representations or warranties, implied or expressed, relating to the condition of the Property or the contents thereof, except as expressly set forth in Section 38 of this Addendum;

    (c) The Purchaser has not relied on any representation or warranty from the Seller regarding the nature, quality or workmanship of any repairs made by the Seller;

    (d) The Purchaser will not occupy or cause or permit others to occupy the Property prior to closing and, unless and until any necessary Certificate of Occupancy has been obtained from the appropriate governmental entity, will not occupy or cause or permit others to occupy the Property after closing; and

    (e) The undersigned, if executing the Agreement on behalf of the Purchaser that is a corporation, partnership, trust or other entity, represents and warrants that he/she is authorized by that entity to enter into the Agreement and bind the entity to perform all duties and obligations stated in the Agreement.

17. <u>WAIVERS</u>:

AS A MATERIAL PART OF THE CONSIDERATION TO BE RECEIVED BY THE SELLER UNDER THIS AGREEMENT AS NEGOTIATED AND AGREED TO BY THE PURCHASER AND THE SELLER, AND DESPITE ANY STATEMENTS TO THE CONTRARY IN THE CONTRACT OR ANY ADDENDA THERETO, THE PURCHASER WAIVES THE FOLLOWING:

(A) ALL RIGHTS TO FILE AND MAINTAIN AN ACTION AGAINST THE SELLER FOR SPECIFIC PERFORMANCE;

(B) RIGHT TO RECORD A LIS PENDENS AGAINST THE PROPERTY OR TO RECORD THIS AGREEMENT OR A MEMORANDUM THEREOF IN THE REAL PROPERTY RECORDS;

(C) RIGHT TO INVOKE ANY OTHER EQUITABLE REMEDY THAT MAY BE AVAILABLE, THAT IF INVOKED, WOULD PREVENT THE SELLER FROM CONVEYING THE PROPERTY TO A THIRD PARTY PURCHASER;

(D) ANY AND ALL CLAIMS ARISING FROM THE ADJUSTMENTS OR PRORATIONS OR ERRORS IN CALCULATING THE ADJUSTMENTS OR PRORATIONS THAT ARE OR MAY BE DISCOVERED AFTER CLOSING;

(E) ANY CLAIMS FOR FAILURE OF CONSIDERATION AND/OR MISTAKE OF FACT AS SUCH CLAIMS RELATE TO THE PURCHASE OF THE PROPERTY OR ENTERING INTO OR EXECUTION OF OR CLOSING UNDER THIS AGREEMENT;

(F) ANY REMEDY OF ANY KIND, INCLUDING BUT NOT LIMITED TO RESCISSION OF THIS AGREEMENT, OTHER THAN AS EXPRESSLY PROVIDED IN SECTION 19 OF THIS ADDENDUM, TO WHICH THE PURCHASER MIGHT OTHERWISE BE ENTITLED AT LAW OR EQUITY WHETHER BASED ON MUTUAL MISTAKEOF FACT OR LAW OR OTHERWISE;

(G) TRIAL BY JURY, EXCEPT AS PROHIBITED BY LAW, IN ANY LITIGATION ARISING FROM OR CONNECTED WITH OR RELATED TO THIS AGREEMENT;

(H) ANY CLAIMS OR LOSSES THE PURCHASER MAY INCUR AS A RESULT OF CONSTRUCTION ON, REPAIR TO, OR TREATMENT OF THE PROPERTY, OR OTHER DEFECTS, WHICH MAY NOW OR HEREAFTER EXIST WITH RESPECT TO THE PROPERTY;

(I) ANY CLAIMS OR LOSSES RELATED TO ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY INCLUDING, BUT NOT LIMITED TO, MOLD, DRYWALL, LEAD PAINT, FUEL OIL, ALLERGENS, OR TOXIC SUBSTANCES OF ANY KIND;

(J) ANY RIGHT TO AVOID THIS SALE OR REDUCE THE PRICE OR HOLD THE SELLER RESPONSIBLE FOR DAMAGES ON ACCOUNT OF THE CONDITION OF THE PROPERTY, LACK OF SUITABILITY AND FITNESS, OR REDHIBITORY VICES AND DEFECTS, APPARENT, NONAPPARENT OR LATENT, DISCOVERABLE OR NONDISCOVERARLE; AND

(K) ANY CLAIM ARISING FROM ENCROACHMENTS, EASEMENTS, SHORTAGES IN AREA OR ANY OTHER MATTER WHICH WOULD BE DISCLOSED OR REVEALED BY A SURVEY OR INSPECTION OF THE PROPERTY OR SEARCH OF PUBLICRECORDS.

References to the "Seller" in this Section 17 of this Addendum shall include the Seller and the Seller's servicers, representatives, agents, brokers, employees, and/or assigns.

In the event that the Purchaser breaches any of the terms described or contemplated under this Section 17 of this Addendum, the Purchaser shall pay all reasonable attorney fees and costs incurred by the Seller in defending such action, and the Purchaser shall pay Five Thousand Dollars ($5,000) as liquidated damages for breach of this Section 17 of the Addendum, which amount shall be in addition to any liquidated damages held or covered by the Seller pursuant to Section 19 of this Addendum.

18. Conditions to the Seller's Performance: The Seller shall have the right, at the Seller's sole discretion, to extend the Expiration Date or to terminate this Agreement if:

(a) Full payment of any mortgage insurance claim related to the loan previously secured by the Property is not confirmed prior to the closing or the mortgage insurance company exercises its right to acquire title to the Property;

(b) The Seller determines that it is unable to convey title to the Property insurable by a reputable title insurance company at regular rates;

(c) The Seller at any time has requested that the servicing lender, or any other party, repurchase the loan previously secured by the Property and/or such lender or other party has elected to repurchase the property;

(d) A third party with rights related to the sale of the property does not approve the sale terms;

(e) Full payment of any property, fire or hazard insurance claim is not confirmed prior to the closing;

(f) Any third party, whether tenant, homeowner's association, or otherwise, exercises rights under a right of first refusal to purchase the Property;

(g) The Purchaser is the former mortgagor of the Property, or is related to or affiliated in any way with the former mortgagor, and the Purchaser has not disclosed this fact to the Seller prior to the Seller's acceptance of this Agreement. Such failure to disclose shall constitute default under this Agreement, entitling the Seller to exercise any of its rights and remedies, including, without limitation, retaining the earnest money deposit;

(h) The Seller, at the Seller's sole discretion, determines that the sale of the Property to the Purchaser or any related transactions are in any way associated with illegal activity of any kind;

(i) The Seller determines in its sole discretion that the sale of the Property will subject Seller to liability and/or have an impact on pending, threatened or potential litigation;

(j) In the event Seller will not receive net positive proceeds from the sale; or

(k) Material misrepresentation by the Purchaser.

In the event the Seller elects to terminate this Agreement as a result of (a), (b), (c), (d), (e), (f), (i) or (j) above, the Seller shall return the Purchaser's earnest money deposit. In the event Seller chooses to exercise to terminate this Agreement, Buyer waives any right to sue Seller for specific performance and/or damages and fully releases Seller and holds Seller harmless.

19. Remedies for Default:

(a) In the event of the Purchaser's default, material breach or material misrepresentation of any fact under the terms of this Agreement, the Seller, at its option, may retain the earnest money deposit and any other funds then paid by the Purchaser as liquidated damages and/or invoke any other remedy available to Seller at law and/or equity and the Seller is automatically released from the obligation to sell the Property to the Purchaser and neither the Seller nor its representatives, agents, attorneys, successors, or assigns shall be liable to the Purchaser for any damages of any kind as a result of the Seller's failure to sell and convey the Property.

(b) In the event of the Seller's default or material breach under the terms of the Agreement or if the Seller terminates the Agreement as provided under the provisions of Paragraph 18 (a), (b), (c), (d), (e), (f), (i) or (j) of this Addendum, the Purchaser shall be entitled to the return of the earnest money deposit as Purchaser's sole and exclusive remedy at law and/or equity. The Purchaser waives any rights to file and maintain an action against the Seller for specific performance and the Purchaser acknowledges that a return of its earnest money deposit can adequately and fairly compensate the Purchaser. Upon return of the earnest money deposit to the Purchaser, this Agreement shall be terminated, and the Purchaser and the Seller shall have no further liability or obligation, each to the other in connection with this Agreement.

(c) The Purchaser agrees that the Seller shall not be liable to the Purchaser for any special, consequential or punitive damages whatsoever, whether in contract, tort (including negligence and strict liability) or any other legal or equitable principle, including but not limited to any cost or expense incurred by the Purchaser in selling or surrendering a lease on a prior residence, obtaining other living accommodations, moving, storage or relocation expenses or any other such expense or cost arising from or related to this Agreement or a breach of this Agreement.

(d) Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any different or subsequent breach.

(e) In the event either party elects to exercise its remedies as described in this Section 19 of this Addendum and this Agreement is terminated, the parties shall have no further obligation under this Agreement except as to any provision that survives the termination of this Agreement pursuant to Section 24 of this Addendum.

Purchaser _____________

Seller ________________

20. Indemnification: The Purchaser agrees to indemnify and fully protect, defend, and hold the Seller, its officers, directors, employees, shareholders, servicers, representatives, agents, attorneys, tenants, brokers, successors or assigns harmless from and against any and all claims, costs, liens, loss, damages, attorney's fees and expenses of every kind and nature that may be sustained by or made against the Seller, its officers, directors, employees, shareholders, servicers, representatives, agents, attorneys, tenants, brokers, successors or assigns, resulting from or arising out of:

    (a) Inspections or repairs made by the Purchaser or its agents, employees, contractors, successors or assigns;

    (b) Claims, liabilities, fines or penalties resulting from the Purchaser's failure to timely obtain any Certificate of Occupancy or to comply with equivalent laws and regulations;

    (c) Claims for amounts due and owed by the Seller for taxes, homeowner association dues or assessment or any other items prorated under Section 10 of this Addendum, including any penalty or interest and other charges, arising from the proration of such amounts for which the Purchaser received a credit at closing under Section 10 of this Addendum; and

    (d) The Purchaser's or the Purchaser's tenants, agents or representatives use and/or occupancy of the Property prior to closing and/or issuance of required certificates of occupancy.

21. Risk of Loss: In the event of fire, destruction or other casualty loss to the Property after the Seller's acceptance of this Agreement and prior to closing, the Seller may, at its sole discretion, repair or restore the Property, or the Seller may terminate the Agreement. If the Seller elects to repair or restore the Property, then the Seller may, at its sole discretion, limit the amount to be expended. Whether or not Seller elects to repair or restore the Property, the Purchaser's sole and exclusive remedy shall be either to acquire the Property in its then condition at the Purchase Price with no reduction thereof by reason of such loss or terminate this Agreement and receive a refund of any earnest money deposit.

22. Eminent Domain: In the event that the Seller's interest in the Property, or any part thereof, shall have been taken by eminent domain or shall be in the process of being taken on or before the closing, either party may terminate the Agreement and the earnest money deposit shall be returned to the Purchaser and neither party shall have any further rights or liabilities hereunder except as provided in Section 24 of this Addendum.

23. Keys: The Purchaser understands that the Seller may not be in possession of keys, including but not limited to, mailbox keys, recreation area keys, gate cards, or automatic garage remote controls, and any cost of obtaining the same will be the responsibility of the Purchaser. The Purchaser also understands that if the Property includes an alarm system, the Seller cannot provide the access code and/or key and that the Purchaser is responsible for any costs associated with the alarm and/or changing the access code or obtaining keys. If the Property is presently on a Master Key System, the Seller will re-key the exterior doors to the Property prior to closing at the Purchaser's expense. The Purchaser authorizes and instructs escrow holder to charge the account of the Purchaser at closing for the rekey.

24. Survival: Delivery of the deed to the Property to the Purchaser by the Seller shall be deemed to be full performance and discharge of all of the Seller's obligations under this Agreement. Notwithstanding anything to the contrary in the Agreement, any provision which contemplates performance or observance subsequent to any termination or expiration of the Agreement, shall survive the closing and/or termination of the Agreement by any party and continue in full force and effect.

25. Further Assurances: The Purchaser agrees to take such other action as reasonably may be necessary or requested by Purchaser to further the purpose of this Agreement. Copies of referenced documents are available from the Seller's listing agent upon request by the Purchaser.

26. Severability: The lack of enforceability of any provision of this Agreement shall not affect the enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.

27. Assignment of Agreement: The Purchaser shall not assign this Agreement without the express written consent of the Seller. The Seller may assign this Agreement at its sole discretion without prior notice to, or consent of, the Purchaser.

28. **EFFECT OF ADDENDUM: THIS ADDENDUM AMENDS AND SUPPLEMENTS THE CONTRACT AND, IF APPLICABLE, ESCROW INSTRUCTIONS. IN THE EVENT THERE IS ANY CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT OR ESCROW INSTRUCTIONS OR NOTICE OR OTHER DOCUMENTS ATTACHED AND MADE A PART OF THE AGREEMENT, THE TERMS OF THIS ADDENDUM TAKE PRECEDENCE AND SHALL PREVAIL, EXCEPT AS OTHERWISE PROVIDED OR REQUIRED BY APPLICABLE LAWS, RULES OR REGULATIONS.**

29. Entire Agreement: The Agreement constitutes the entire agreement between the Purchaser and the Seller concerning the subject matter hereof and supersedes all previous communications, understandings, representations, warranties, covenants or agreements, either written or oral and there are no oral or other written agreements between the Purchaser and the Seller. All negotiations are merged into the Agreement. The Seller is not obligated by any other written or oral statements made by the Seller, the Seller's representatives, or any real estate licensee.

30. Modification: No provision, term or clause of the Agreement shall be revised, modified, amended or waived except by an instrument in writing signed by the Purchaser and the Seller.

31. Rights of Others: This Agreement does not create any rights, claims or benefits inuring to any person or entity, other than Seller's successors and/or assigns, that is not a party to the Agreement, nor does it create or establish any third party beneficiary to this Agreement.

32. Counterparts: This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original, but all of which, when taken together, shall constitute one agreement.

33. Headings: The titles to the sections and headings of various paragraphs of this Agreement are placed for convenience of reference only and in case of conflict, the text of this Agreement, rather than such titles or headings shall control.

34. Electronic Signature: An electronic signature by the Seller or its Attorney in Fact shall be given the same effect as a written signature.

35. Force Majeure: Except as provided in Section 21 to this Addendum, no party shall be responsible for delays or failure of performance resulting from acts of God, riots, acts of war and terrorism, epidemics, power failures, earthquakes or other disasters, providing such delay or failure of performance could not have been prevented by reasonable precautions and cannot reasonably be circumvented by such party through use of alternate sources, workaround plans or other means.

36. Attorney Review: The Purchaser acknowledges that Purchaser has had the opportunity to consult with its legal counsel regarding the Agreement and that accordingly the terms of the Agreement are not to be construed against any party because that party drafted the Agreement or construed in favor of any Party because that Party failed to understand the legal effect of the provisions of the Agreement.

37. Notices: Any notices required to be given under the Agreement shall be deemed to have been delivered when actually received in the case of hand or overnight delivery, or five (5) calendar days after mailing by first class mail, postage paid, or by fax with confirmation of transmission to the numbers below. All notices to the Seller will be deemed sent or delivered to the Seller when sent or delivered to Seller's listing broker or agent or Seller's attorney, at the address or fax number shown below. All notices to the Purchaser shall be deemed sent or delivered when sent or delivered to the Purchaser or the Purchaser's attorney or agent at the address or fax number shown below.

38. Additional Terms or Conditions:

The property is being sold in AS-AS condition with all necessay repairs, including the certificate of occupancy and fire inspection being the sole responsibility of the buyer. Notwithstanding any other terms in this contract addendum, the State realty transfer tax will be split between the buyer(s) and the seller at the time of closing.

NOTE: Seller may complete the closing through mail. Accordingly, wire transfer on the settlement date will only acceptable means of delivery for the balance of the contract price or any remaining funds pursuant to paragraphs 3(b) and 12.

IN WITNESS WHEREOF, the Purchaser and the Seller have entered into this Addendum as of the date first set forth above.

SELLER: Hudson Homes Management LLC

By:

Its:

Date:

Address: 4849 Greenville Ave

Dallas, TX 75206

PURCHASER(S):

Signature 1:

Print Name:

Date:

Address:

Telephone:

Fax:

Signature 2:

Print Name:

Date:

Address:

Telephone:

Fax:

SELLER'S AGENT:

Agent Name: Sharonn Thomas-Pope

Brokerage Firm: Vanguard Realty Group, Inc

Address: 923 Haddonfield Rd, Ste 300
Cherry Hill, NJ 08002

Telephone: 856-324-8264

Fax:

E-Mail Address: Sharonn.Thomas@comcast.net

PURCHASER'S AGENT:

Agent Name: Kent R. Pipes

Brokerage Firm: The Affordable Homes Group d/b/a DELTA REAL ESTATE

Address: 1841 Burlington-Mt. HollyRd.
Westampton, NJ 08060

Telephone: 609-261-4571

Fax:

E-Mail Address: pipeskent@gmail.com

SELLER'S ATTORNEY:

Name:

Address:

Telephone:

Fax:

E-Mail Address:

PURCHASER'S ATTORNEY:

Name:

Address:

Telephone:

Fax:

E-Mail Address:

The following page,
Residential Property Disclosures – Notice to Seller and Purchaser,
is only for use on properties located in the state of Virginia.

RESIDENTIAL PROPERTY DISCLOSURES

NOTICE TO SELLER AND PURCHASER

The Virginia Residential Property Disclosure Act (§ 55-517 et seq. of the *Code of Virginia*) governs the information owners must disclose to prospective purchasers of real property. Certain transfers of residential property are excluded from the requirements (see § 55-518).

Property Address/
Legal Description: N/A

1. **CONDITION:** The owner(s) of the real property described above makes no representations or warranties as to the condition of the real property or any improvements thereon, and purchasers are advised to exercise whatever due diligence a particular purchaser deems necessary including obtaining a certified home inspection, as defined in § 54.1-500, in accordance with the terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to such contract.

2. **ADJACENT PARCELS:** The owner(s) makes no representations with respect to any matters that may pertain to parcels adjacent to the subject parcel and purchasers are advised to exercise whatever due diligence a particular purchaser deems necessary with respect to adjacent parcels in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to such contract.

3. **HISTORIC DISTRICT ORDINANCES(S):** The owner(s) makes no representations to any matters that pertain to whether the provisions of any historic district ordinance affect the property and purchasers are advised to exercise whatever due diligence a particular purchaser deems necessary with respect to any historic district designated by the locality pursuant to §15.2-2306, including review of any local ordinance creating such district or any official map adopted by the locality depicting historic districts, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to such contract.

4. **RESOURCE PROTECTION AREAS:** The owner(s) makes no representations with respect to whether the property contains any resource protection areas established in an ordinance implementing the Chesapeake Bay Preservation Act (§ 62.1-44.15:67 et seq.) adopted by the locality where the property is located pursuant to § 62.1-44.15:74, and purchasers are advised to exercise whatever due diligence a particular purchaser deems necessary to determine whether the provisions of any such ordinance affect the property, including review of any official map adopted by the locality depicting resource protection areas, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to such contract.

5. **SEXUAL OFFENDERS:** The owner(s) makes no representations with respect to information on any sexual offenders registered under Chapter 23 (§ 19.2-387 et seq.) of Title 19.2, and purchasers are advised to exercise whatever due diligence they deem necessary with respect to such information, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to such contract.

6. **DAM BREAK INUNDATION ZONE(S):** The owner(s) makes no representations with respect to whether the property is within a dam break inundation zone and purchasers are advised to exercise whatever due diligence they deem necessary with respect to whether the property resides within a dam break inundation zone, including a review of any map adopted by the locality depicting dam break inundation zones.

7. **STORMWATER DETENTION:** The owner(s) makes no representations with respect to the presence of any stormwater detention facilities located on the property, or any maintenance agreement for such facilities, and purchasers are advised to exercise whatever due diligence they deem necessary to determine the presence of any stormwater detention facilities on the property, or any maintenance agreement for such facilities, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to such contract.

8. **WASTEWATER SYSTEM:** The owner(s) makes no representations with respect to the presence of any wastewater system, including the type or size thereof or associated maintenance responsibilities related thereto, located on the property and purchasers are advised to exercise whatever due diligence they deem necessary to determine the presence of any wastewater system on the property, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to such contract.

9. **SOLAR ENERGY COLLECTION DEVICE(S):** The owner(s) makes no representations with respect to any right to install or use solar energy collection devices on the property.

10. **SPECIAL FLOOD HAZARD AREAS:** The owner(s) makes no representations with respect to whether the property is located in one or more special flood hazard areas and purchasers are advised to exercise whatever due diligence they deem necessary, including (i) obtaining a flood certification or mortgage lender determination of whether the property is located in one or more special flood hazard areas, (ii) review of any map depicting special flood hazard areas, and (iii) whether flood insurance is required, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to such contract.

Additional Written Disclosure Requirements

FIRST SALE OF A DWELLING: Section 55-518.B. contains other disclosure requirements for transfers involving the first sale of a dwelling because the first sale of a dwelling is exempt from the disclosure requirements listed above. The builder of a new dwelling shall disclose in writing to the purchaser thereof all known material defects which would constitute a violation of any applicable building code.

PLANNING DISTRICT 15: In addition, for property that is located wholly or partially in any locality comprising Planning District 15, the builder or owner, if the builder is not the owner of the property, shall disclose in writing whether the builder or owner has any knowledge of (i) whether mining operations have previously been conducted on the property or (ii) the presence of abandoned mines, shafts, or pits, if any.

The disclosures required by this subsection shall be made by a builder or owner (i) when selling a completed dwelling, before acceptance of the purchase contract or (ii) when selling a dwelling before or during its construction, after issuance of a certificate of occupancy. Such disclosure shall not abrogate any warranty or any other contractual obligations the builder or owner may have to the purchaser. The disclosure required by this subsection may be made on this disclosure form. If no defects are known by the builder to exist, no written disclosure is required by this subsection.

Section 55-519.1 contains a disclosure requirement for properties located in any locality in which there is a military air installation.

Section 32.1-164.1:1 contains a disclosure requirement regarding the validity of septic system operating permits.

See also the *Virginia Condominium Act* (§ 55-79.39 et seq.), the *Virginia Real Estate Cooperative Act* (§ 55-424 et seq.) and the *Virginia Property Owners' Association Act* (§ 55-508 et seq.).

DPOR 7/15

SELLER: Hudson Homes Management LLC

By: N/A ______________________________

Its: ______________________________

Date: ______________________________

PURCHASER(S):

By: N/A ______________________________

Date: ______________________________

By: ______________________________

Date: ______________________________

NOTICE

TO BUYER AND SELLER

READ THIS NOTICE BEFORE SIGNING THE CONTRACT

The Law requires real estate brokers to give you the following information before you sign this contract. It requires us to tell you that you must read all of it before you sign. The purpose is to help you in this purchase or sale.

1) As a real estate broker, I represent: [X] the seller, not the buyer; [ ] the buyer, not the seller; [ ] both the seller and the buyer; [ ] neither the seller nor the buyer.
The title company does not represent either the seller or the buyer.

2) You will not get any legal advice unless you have your own lawyer. Neither I nor anyone from the title company can give legal advice to either the buyer or the seller. If you do not hire a lawyer, no one will represent you in legal matters now or at the closing. Neither I nor the title company will represent you in those matters.

3) The contract is the most important part of the transaction. It determines your rights, risks, and obligations. Signing the contract is a big step. A lawyer would review the contract, help you to understand it, and to negotiate its terms.

4) The contract becomes final and binding unless your lawyer cancels it within the following three business days. If you do not have a lawyer, you cannot change or cancel the contract unless the other party agrees. Neither can the real estate broker nor the title insurance company change the contract.

5) Another important service of a lawyer is to order a survey, title report, or other important reports. The lawyer will review them and help to resolve any questions that may arise about the ownership and condition of the property. These reports and survey can cost you a lot of money. A lawyer will also prepare the documents needed to close title and represent you at the closing.

6) A buyer without a lawyer runs special risks. Only a lawyer can advise a buyer about what to do if problems arise concerning the purchase of this property. The problems may be about the seller's title, the size and shape of the property, or other matters that may affect the value of the property. If either the broker or the title company knows about the problems, they should tell you. But they may not recognize the problem, see it from your point of view, or know what to do. Ordinarily, the broker and the title company have an interest in seeing that the sale is completed, because only then do they usually receive their commissions. So, their interests may differ from yours.

7) Whether you retain a lawyer is up to you. It is your decision. The purpose of this notice is to make sure that you have the information needed to make your decision.

SELLER	DATE	BUYER	DATE
Hudson Homes Management, LLC		**The Salt and Light Company, Inc.**	
SELLER	DATE	BUYER	DATE
SELLER	DATE	BUYER	DATE
SELLER	DATE	BUYER	DATE

Listing Broker	Selling Broker
Sharonn Thomas-Pope	**Kent R. Pipes**

Prepared by: **Sharonn Thomas-Pope**
Name of Real Estate Licensee

STATEWIDE NEW JERSEY REALTORS® STANDARD FORM OF REAL ESTATE SALES CONTRACT

NEW JERSEY REALTORS®

THIS FORM MAY BE USED ONLY IN THE SALE OF A ONE TO FOUR-FAMILY RESIDENTIAL PROPERTY OR VACANT ONE-FAMILY LOTS. THIS FORM IS SUITABLE FOR USE ONLY WHERE THE SELLER HAS PREVIOUSLY EXECUTED A WRITTEN LISTING AGREEMENT.

THIS IS A LEGALLY BINDING CONTRACT THAT WILL BECOME FINAL WITHIN THREE BUSINESS DAYS. DURING THIS PERIOD YOU MAY CHOOSE TO CONSULT AN ATTORNEY WHO CAN REVIEW AND CANCEL THE CONTRACT. SEE SECTION ON ATTORNEY REVIEW FOR DETAILS.

TABLE OF CONTENTS

1. PARTIES AND PROPERTY DESCRIPTION:

The Salt and Light Company, Inc. (“Buyer”), ______________________, (“Buyer”),

______________________ (“Buyer”), ______________________, (“Buyer”),

whose address is/are **1841 Burlington-Mt. Holly Rd., Westampton, NJ 08060**

AGREES TO PURCHASE FROM

Hudson Homes Management, LLC (“Seller”), ______________________, (“Seller”),

______________________ (“Seller”), ______________________, (“Seller”),

whose address is/are **4894 Greenville Ave, Dallas, TX 75206**

THROUGH THE BROKER(S) NAMED IN THIS CONTRACT AT THE PRICE AND TERMS STATED BELOW, THE FOLLOWING PROPERTY:

Property Address: **43 Sharpless Blvd, Westampton, NJ 08060**

shown on the municipal tax map of **Westampton Township** County **Burlington**

as Block **00203 02** Lot **00017** (the “**Property**”). Qualifier ______________ (if the Property is a condominium).

THE WORDS “BUYER” AND “SELLER” INCLUDE ALL BUYERS AND SELLERS LISTED ABOVE.

2. PURCHASE PRICE:

TOTAL PURCHASE PRICE	$	**327,000.00**
INITIAL DEPOSIT	$	**5,000.00**
ADDITIONAL DEPOSIT	$	
MORTGAGE	$	
BALANCE OF PURCHASE PRICE	$	**322,000.00**

3. MANNER OF PAYMENT:

(A) INITIAL DEPOSIT to be paid by Buyer to ☐ Listing Broker ☐ Participating Broker ☐ Buyer's Attorney ☒ Title Company ☐ Other ____________________________________ , on or before ____________________________ (date) (if left blank, then within five (5) business days after the fully signed Contract has been delivered to both the Buyer and the Seller).

(**B) ADDITIONAL DEPOSIT** to be paid by Buyer to the party who will be responsible for holding the escrow who is identified below on or before _____________________________ (date) (if left blank, then within ten (10) calendar days after the fully signed Contract has been delivered to both the Buyer and the Seller).

(C) ESCROW: All initial and additional deposit monies paid by Buyer shall be held in escrow in the NON-INTEREST BEARING TRUST ACCOUNT of Coastal Title Agency, Inc , ("Escrowee"), until the Closing, at which time all monies shall be paid over to Seller. The deposit monies shall not be paid over to Seller prior to the Closing, unless otherwise agreed in writing by both Buyer and Seller. If Buyer and Seller cannot agree on the disbursement of these escrow monies, the Escrowee may place the deposit monies in Court requesting the Court to resolve the dispute.

(D) IF PERFORMANCE BY BUYER IS CONTINGENT UPON OBTAINING A MORTGAGE:
If payment of the purchase price requires a mortgage loan other than by Seller or other than assumption of Seller's mortgage, Buyer shall apply for the loan through any lending institution of Buyer's choice in writing on lender's standard form within ten (10) calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within ten (10) calendar days after the parties agree to the terms of this Contract, and use best efforts to obtain it. Buyer shall supply all necessary information and fees required by the proposed lender and shall authorize the lender to communicate with the real estate brokers(s) and involved attorney(s). Buyer shall obtain a written commitment from the lending institution to make a loan on the property under the following terms:

Principal Amount $ **322,000.00** Type of Mortgage: ☐ VA ☐ FHA ☐ Section 203(k) ☐ Conventional ☒ Other **Line of Credit**
Term of Mortgage: **30** years, with monthly payments based on a **30** year payment schedule.

The written mortgage commitment must be delivered to Seller's agent, who is the Listing Broker identified in Section 30, and Seller's attorney, if applicable, no later than **April 9, 2025** (date) (if left blank, then within thirty (30) calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within thirty (30) calendar days after the parties agree to the terms of this Contract). Thereafter, if Buyer has not obtained the commitment, then either Buyer or Seller may void this Contract by written notice to the other party and Broker(s) within ten (10) calendar days of the commitment date or any extension of the commitment date, whichever is later. If this Contract is voided, the deposit monies paid by Buyer shall be returned to Buyer notwithstanding any other provision in this Contract, provided, however, if Seller alleges in writing to Escrowee within said ten (10) calendar days of the commitment date or any extension of the commitment date, whichever is later, that the failure to obtain the mortgage commitment is the result of Buyer's bad faith, negligence, intentional conduct or failure to diligently pursue the mortgage application, then Escrowee shall not return the deposit monies to Buyer without the written authorization of Seller. If Buyer has applied for Section 203(k) financing this Contract is contingent upon mortgage approval and the Buyer's acceptance of additional required repairs as determined by the lender.

(E) BALANCE OF PURCHASE PRICE: The balance of the purchase price shall be paid by Buyer in cash, or by certified, cashier's check or trust account check.

Payment of the balance of the purchase price by Buyer shall be made at the closing, which will take place on **April 23, 2025** (date) at the office of Buyer's closing agent or such other place as Seller and Buyer may agree ("the Closing").

4. SUFFICIENT ASSETS:
Buyer represents that Buyer has or will have as of the Closing, all necessary cash assets, together with the mortgage loan proceeds, to complete the Closing. Should Buyer not have sufficient cash assets at the Closing, Buyer will be in breach of this Contract and Seller shall be entitled to any remedies as provided by law.

5. ACCURATE DISCLOSURE OF SELLING PRICE:
Buyer and Seller certify that this Contract accurately reflects the gross sale price as indicated in Section 2 of this Contract. Buyer and Seller understand and agree that this information shall be disclosed to the Internal Revenue Service and other government agencies as required by law.

6. ITEMS INCLUDED IN SALE:
The Property includes all fixtures permanently attached to the building(s), and all shrubbery, plantings and fencing, gas and electric fixtures, cooking ranges and ovens, hot water heaters, flooring, screens, storm sashes, shades, blinds, awnings, radiator covers, heating

apparatus and sump pumps, if any, except where owned by tenants, are included in this sale. All of the appliances shall be in working order as of the Closing. Seller does not guarantee the condition of the appliances after the Deed and affidavit of title have been delivered to Buyer at the Closing. The following items are also specifically included (If reference is made to the MLS Sheet and/or any other document, then the document(s) referenced should be attached.):

____

____

____

____

7. ITEMS EXCLUDED FROM SALE: (If reference is made to the MLS Sheet and/or any other document, then the document(s) referenced should be attached.):

____

____

____

____

8. DATES AND TIMES FOR PERFORMANCE:

Seller and Buyer agree that all dates and times included in this Contract are of the essence. This means that Seller and Buyer must satisfy the terms of this Contract within the time limits that are set in this Contract or will be in default, except as otherwise provided in this Contract or required by applicable law, including but not limited to if the Closing has to be delayed either because a lender does not timely provide documents through no fault of Buyer or Seller or for three (3) business days because of the change of terms as required by the Consumer Financial Protection Bureau.

If Seller requests that any addendum or other document be signed in connection with this Contract, "final execution date," "acknowledgement date," or similar language contained in such document that sets the time period for the completion of any conditions or contingencies, including but not limited to inspections and financing, shall mean that the time will begin to run after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then from the date the parties agree to the terms of this Contract.

Buyer selects __________________________________ ("Closing Agent") as the title company, attorney or other entity or person to conduct the Closing. If the Closing Agent is an entity or person other than the Buyer's attorney, Buyer agrees to timely contact the Closing Agent to schedule the Closing after the attorney-review period is completed or, if the Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then after the parties agree to the terms of this Contract.

9. CERTIFICATE OF OCCUPANCY AND ZONING COMPLIANCE:

(A) Zoning Compliance.

Seller makes no representations concerning existing zoning ordinances, except that Seller's use of the Property is not presently in violation of any zoning ordinances.

(B) Certificate of Occupancy or Housing Code Letter.

Some municipalities may require a Certificate of Occupancy or Housing Code Letter to be issued. If any is required for this Property, Seller shall obtain it at Seller's expense and provide to Buyer prior to Closing and shall be responsible to make and pay for any repairs required in order to obtain the Certificate or Letter. However, if this expense exceeds $ ___________ (if left blank, then 1.5% of the purchase price) to Seller, then Seller may terminate this Contract and refund to Buyer all deposit monies plus Buyer's reasonable expenses, if any, in connection with this transaction unless Buyer elects to make repairs in excess of said amount at Buyer's expense, in which event Seller shall not have the right to terminate this Contract.

(C) Smoke-Sensitive Alarm Device Compliance.

Seller shall comply with all New Jersey laws, and local ordinances, including but not limited to smoke detectors, carbon monoxide detectors, fire extinguishers and indoor sprinklers, the cost of which shall be paid by Seller and not be considered a repair cost.

(D) Secondary Power Source Identification Label.

If there is a secondary power source to the primary power supply (i.e. permanently installed internal combustion generators, solar panels, battery storage systems, or any other supplemental source of electrical energy), a label shall be installed within 18 inches of the main electrical panel and electrical meter, warning about the dangers associated with secondary power sources as required by law.

10. MUNICIPAL ASSESSMENTS: (Seller represents that Seller ☐ has ☒ has not been notified of any such municipal assessments as explained in this Section.)

Title shall be free and clear of all assessments for municipal improvements, including but not limited to municipal liens, as well as assessments and liabilities for future assessments for improvements constructed and completed. All confirmed assessments and all unconfirmed assessments that have been or may be imposed by the municipality for improvements that have been completed as of the Closing are to be paid in full by Seller or credited to Buyer at the Closing. A confirmed assessment is a lien against the Property. An unconfirmed assessment is a potential lien that, when approved by the appropriate governmental entity, will become a legal claim against the Property.

11. QUALITY AND INSURABILITY OF TITLE:

At the Closing, Seller shall deliver a duly executed Bargain and Sale Deed with Covenant as to Grantor's Acts or other Deed satisfactory to Buyer. Title to the Property will be free from all claims or rights of others, except as described in this Section and Section 12 of this Contract. The Deed shall contain the full legal description of the Property.

This sale will be subject to utility and other easements and restrictions of record, if any, and such state of facts as an accurate survey might disclose, provided such easement or restriction does not unreasonably limit the use of the Property. Generally, an easement is a right of a person other than the owner of property to use a portion of the property for a special purpose. A restriction is a recorded limitation on the manner in which a property owner may use the property. Buyer does not have to complete the purchase, however, if any easement, restriction or facts disclosed by an accurate survey would substantially interfere with the use of the Property for residential purposes. A violation of any restriction shall not be a reason for Buyer refusing to complete the Closing as long as the title company insures Buyer against loss at regular rates. The sale also will be made subject to applicable zoning ordinances, provided that the ordinances do not render title unmarketable.

Title to the Property shall be good, marketable and insurable, at regular rates, by any title insurance company licensed to do business in New Jersey, subject only to the claims and rights described in this Section and Section 12. Buyer agrees to order a title insurance commitment (title search) and survey, if required by Buyer's lender, title company or the municipality where the Property is located, and to furnish copies to Seller. If Seller's title contains any exceptions other than as set forth in this Section, Buyer shall notify Seller and Seller shall have thirty (30) calendar days within which to eliminate those exceptions. Seller represents, to the best of Seller's knowledge, that there are no restrictions in any conveyance or plans of record that will prohibit use and/or occupancy of the Property as a _____**Single**_____ family residential dwelling. Seller represents that all buildings and other improvements on the Property are within its boundary lines and that no improvements on adjoining properties extend across boundary lines of the Property.

If Seller is unable to transfer the quality of title required and Buyer and Seller are unable to agree upon a reduction of the purchase price, Buyer shall have the option to either void this Contract, in which case the monies paid by Buyer toward the purchase price shall be returned to Buyer, together with the actual costs of the title search and the survey and the mortgage application fees in preparing for the Closing without further liability to Seller, or to proceed with the Closing without any reduction of the purchase price.

12. POSSESSION, OCCUPANCY AND TENANCIES:

(A) Possession and Occupancy.

Possession and occupancy will be given to Buyer at the Closing. Buyer shall be entitled to possession of the Property, and any rents or profits from the Property, immediately upon the delivery of the Deed and the Closing. Seller shall pay off any person with a claim or right affecting the Property from the proceeds of this sale at or before the Closing.

(B) Tenancies. ☐ **Applicable** ☒ **Not Applicable**

Occupancy will be subject to the tenancies listed below as of the Closing. Seller represents that the tenancies are not in violation of any existing Municipal, County, State or Federal rules, regulations or laws. Seller agrees to transfer all security deposits to Buyer at the Closing and to provide to Brokers and Buyer a copy of all leases concerning the tenancies, if any, along with this Contract when it is signed by Seller. Seller represents that such leases can be assigned and that Seller will assign said leases, and Buyer agrees to accept title subject to these leases.

TENANT'S NAME	LOCATION	RENT	SECURITY DEPOSIT	TERM

Buyer acknowledges that, effective July 22, 2022, certain rental dwelling units built before 1978 are required to be inspected pursuant to N.J.S.A. 52:27D-437.16, et seq., for lead-based paint. See section 13D below.

13. LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARD: (This section is applicable only to all dwellings built prior to 1978.) ☐ **Applicable** ☒ **Not Applicable**

(A) Document Acknowledgement.

Buyer acknowledges receipt of the EPA pamphlet entitled "Protect Your Family From Lead In Your Home." Moreover, a copy of a document entitled "Disclosure of Information and Acknowledgement Lead-Based Paint and Lead-Based Paint Hazards" has been fully completed and signed by Buyer, Seller and Broker(s) and is appended to and made a part of this Contract.

(B) Lead Warning Statement.

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

(C) Inspection.

The law requires that, unless Buyer and Seller agree to a longer or shorter period, Seller must allow Buyer a ten (10) calendar day period within which to complete an inspection and/or risk assessment of the Property as set forth in the next paragraph. Buyer, however, has the right to waive this requirement in its entirety.

This Contract is contingent upon an inspection and/or risk assessment (the "Inspection") of the Property by a certified inspector/risk assessor for the presence of lead-based paint and/or lead-based paint hazards. The Inspection shall be ordered and obtained by Buyer at Buyer's expense within ten (10) calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within ten (10) calendar days after the parties agree to the terms in this Contract ("Completion Date"). If the Inspection indicates that no lead-based paint or lead-based paint hazard is present at the Property, this contingency clause shall be deemed null and void. If the Inspection indicates that lead-based paint or lead-based paint hazard is present at the Property, this contingency clause will terminate at the time set forth above unless, within five (5) business days from the Completion Date, Buyer delivers a copy of the inspection and/or risk assessment report to Seller and Brokers and (1) advises Seller and Brokers, in writing that Buyer is voiding this Contract; or (2) delivers to Seller and Brokers a written amendment (the "Amendment") to this Contract listing the specific existing deficiencies and corrections required by Buyer. The Amendment shall provide that Seller agrees to (a) correct the deficiencies; and (b) furnish Buyer with a certification from a certified inspector/risk assessor that the deficiencies have been corrected, before the Closing. Seller shall have _____________ (if left blank, then 3) business days after receipt of the Amendment to sign and return it to Buyer or send a written counter-proposal to Buyer. If Seller does not sign and return the Amendment or fails to offer a counter-proposal, this Contract shall be null and void. If Seller offers a counter-proposal, Buyer shall have _______________ (if left blank, then 3) business days after receipt of the counter-proposal to accept it. If Buyer fails to accept the counter-proposal within the time limit provided, this Contract shall be null and void.

(D) Rental Dwelling Inspections.

Effective July 22, 2022, all rental dwelling units built before 1978 required to be inspected pursuant to the New Jersey Lead-Based Paint Inspection Law, N.J.S.A. 52:27D-437.16, et seq., must be inspected for lead-based paint by July 22, 2024, or upon tenant turnover, whichever is earlier (note: there are several exemptions, including but not limited to seasonal rentals that are rented for less than six (6) months each year by tenants that do not have consecutive lease renewals). The law imposes an obligation on municipalities to perform or hire, or allow the property owner/landlord to directly hire, a certified lead evaluation contractor to perform the inspections of single-family, two-family, and multiple rental dwellings that are covered by the law for lead-based paint hazards, at times specified in the law. The type of inspection depends on the lead levels in children in the municipality where the rental dwelling unit is located.

Seller is advised to provide Buyer with all lead-safe certifications concerning the Property and the Guide to Lead-Based Paint in Rental Dwellings issued by the New Jersey Department of Community Affairs prior to closing.

Buyer is advised to contact the municipality in which the Property is located to determine the type of inspection, if any, required if the Property currently has a tenant or may have a tenant in the future.

14. POINT-OF-ENTRY TREATMENT ("POET") SYSTEMS: ☐ Applicable ☒ Not Applicable

A point-of-entry treatment ("POET") system is a type of water treatment system used to remove contaminants from the water entering a structure from a potable well, usually through a filtration process. Seller represents that a POET system has been installed to an existing well on the Property and the POET system was installed and/or maintained using funds received from the New Jersey Spill Compensation Fund Claims Program, N.J.S.A. 58:10-23.11, et seq. The Buyer understands that Buyer will not be eligible to receive any such funds for the continued maintenance of the POET system. Pursuant to N.J.A.C. 7:1J-2.5(c), Seller agrees to notify the Department of Environmental Protection within thirty (30) calendar days of executing this Contract that the Property is to be sold.

15. CESSPOOL REQUIREMENTS: ☐ Applicable ☒ Not Applicable

(This section is applicable if the Property has a cesspool, except in certain limited circumstances set forth in N.J.A.C. 7:9A-3.16.) Pursuant to New Jersey's Standards for Individual Subsurface Sewage Disposal Systems, N.J.A.C. 7:9A (the "Standards"), if this Contract is for the sale of real property at which any cesspool, privy, outhouse, latrine or pit toilet (collectively "Cesspool") is located, the Cesspool must be abandoned and replaced with an individual subsurface sewage disposal system at or before the time of the real property transfer, except in limited circumstances.

(**A**) Seller represents to Buyer that ☒ no Cesspool is located at or on the Property, or ☐ one or more Cesspools are located at or on the Property. **[If there are one or more Cesspools, then also check EITHER Box 1 or 2 below.]**

1. ☐ Seller agrees that, prior to the Closing and at its sole cost and expense, Seller shall abandon and replace any and all Cesspools located at or on the Property and replace such Cesspools with an individual subsurface sewage disposal system ("System") meeting all the requirements of the Standards. At or prior to the Closing, Seller shall deliver to Buyer a certificate of compliance ("Certificate of Compliance") issued by the administrative authority ("Administrative Authority") (as those terms are defined in N.J.A.C. 7:9A-2.1) with respect to the System. Notwithstanding the foregoing, if the Administrative Authority determines that a fully compliant system cannot be installed at the Property, then Seller shall notify Buyer in writing within three (3) business days of its receipt of the Administrative Authority's determination of its intent to install either a nonconforming System or a permanent holding tank, as determined by the Administrative Authority ("Alternate System"), and Buyer shall then have the right to void this Contract by notifying Seller in writing within seven (7) business days of receipt of the notice from Seller. If Buyer fails to timely void this Contract, Buyer shall have waived its right to cancel this Contract under this paragraph, and Seller shall install the Alternate System and, at or prior to the Closing, deliver to Buyer such Certificate of Compliance or other evidence of approval of the Alternate System as may be issued by the Administrative Authority. The delivery of said Certificate of Compliance or other evidence of approval shall be a condition precedent to the Closing; or

2. ☐ Buyer agrees that, at its sole cost and expense, Buyer shall take all actions necessary to abandon and replace any and all Cesspools located at or on the Property and replace such Cesspools with a System meeting all the requirements of the Standards or an Alternate System. Buyer shall indemnify and hold Seller harmless for any and all costs, damages, claims, fines, penalties and assessments (including but not limited to reasonable attorneys' and experts' fees) arising from Buyer's violation of this paragraph. This paragraph shall survive the Closing.

(**B**) If prior to the Closing, either Buyer or Seller becomes aware of any Cesspool at or on the Property that was not disclosed by Seller at or prior to execution of this Contract, the party with knowledge of the newly identified Cesspool shall promptly, but in no event later than three (3) business days after receipt of such knowledge, advise the other party of the newly identified Cesspool in writing. In such event, the parties in good faith shall agree, no later than seven (7) business days after sending or receiving the written notice of the newly identified Cesspool, or the day preceding the scheduled Closing, whichever is sooner, to proceed pursuant to subsection (A) 1 or 2 above or such other agreement as satisfies the Standards, or either party may terminate this Contract.

16. INSPECTION CONTINGENCY CLAUSE:

(A) Responsibilities of Home Ownership.

Buyer and Seller acknowledge and agree that, because the purchase of a home is one of the most significant investments a person can make in a lifetime, all aspects of this transaction require considerable analysis and investigation by Buyer before closing title to the Property. While Brokers and salespersons who are involved in this transaction are trained as licensees under the New Jersey Licensing Act they readily acknowledge that they have had no special training or experience with respect to the complexities pertaining to the multitude of structural, topographical and environmental components of this Property. For example, and not by way of limitation, Brokers and salespersons have no special training, knowledge or experience with regard to discovering and/or evaluating physical defects, including structural defects, roof, basement, mechanical equipment, such as heating, air conditioning, and electrical systems, sewage, plumbing, exterior drainage, termite, and other types of insect infestation or damage caused by such infestation. Moreover, Brokers and salespersons similarly have no special training, knowledge or experience with regard to evaluation of possible environmental conditions which might affect the Property pertaining to the dwelling, such as the existence of radon gas, formaldehyde gas, airborne asbestos fibers, toxic chemicals, underground storage tanks, lead, mold or other pollutants in the soil, air or water.

(B) Radon Testing, Reports and Mitigation.

(Radon is a radioactive gas which results from the natural breakdown of uranium in soil, rock and water. It has been found in homes all over the United States and is a carcinogen. For more information on radon, go to www.epa.gov/radon and www.nj.gov/dep/rpp/radon or call the NJ Radon Hot Line at 800-648-0394 or 609-984- 5425.)

If the Property has been tested for radon prior to the date of this Contract, Seller agrees to provide to Buyer, at the time of the execution of this Contract, a copy of the result of the radon test(s) and evidence of any subsequent radon mitigation or treatment of the Property. In any event, Buyer shall have the right to conduct a radon inspection/test as provided and subject to the conditions set forth in paragraph (D) below. If any test results furnished or obtained by Buyer indicate a concentration level of 4 picocuries per liter (4.0 pCi/L) or more in the subject dwelling, Buyer shall then have the right to void this Contract by notifying Seller in writing within seven (7) business days of the receipt of any such report. For the purposes of this Section 16, Seller and Buyer agree that, in the event a radon gas concentration level in the subject dwelling is determined to be less than 4 picocuries per liter (4.0 pCi/L) without any remediation, such level of radon gas concentration shall be deemed to be an acceptable level ("Acceptable Level") for the purposes of this Contract. Under those circumstances, Seller shall be under no obligation to remediate, and this contingency clause as it relates to radon shall be deemed fully satisfied.

If Buyer's qualified inspector reports that the radon gas concentration level in the subject dwelling is four picocuries per liter (4.0 pCi/L) or more, Seller shall have a seven (7) business day period after receipt of such report to notify Buyer in writing that Seller agrees to remediate the gas concentration to an Acceptable Level (unless Buyer has voided this Contract as provided in the preceding paragraph). Upon such remediation, the contingency in this Contract which relates to radon shall be deemed fully satisfied. If Seller fails to notify Buyer of Seller's agreement to so remediate, such failure to so notify shall be deemed to be a refusal by Seller to remediate the radon level to an Acceptable Level, and Buyer shall then have the right to void this Contract by notifying Seller in writing within seven (7) calendar days thereafter. If Buyer fails to void this Contract within the seven (7) business day period, Buyer shall have waived Buyer's right to cancel this Contract and this Contract shall remain in full force and effect, and Seller shall be under no obligation to remediate the radon gas concentration. If Seller agrees to remediate the radon to an Acceptable Level, such remediation and associated testing shall be completed by Seller prior to the Closing.

(C) Infestation and/or Damage By Wood Boring Insects.

Buyer shall have the right to have the Property inspected by a licensed exterminating company of Buyer's choice, for the purpose of determining if the Property is free from infestation and damage from termites or other wood destroying insects. If Buyer chooses to make this inspection, Buyer shall pay for the inspection unless Buyer's lender prohibits Buyer from paying, in which case Seller shall pay. The inspection must be completed and written reports must be furnished to Seller and Broker(s) within **5** (if left blank, then 14) calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within **5** (if left blank, then 14) calendar days after the parties agree to the terms of this Contract. This report shall state the nature and extent of any infestation and/or damage and the full cost of treatment for any infestation. Seller agrees to treat any infestation and cure any damage at Seller's expense prior to Closing, provided however, if the cost to cure exceeds 1% of the purchase price of the Property, then either party may void this Contract provided they do so within **7** (if left blank, then 7) business days after the report has been delivered to Seller and Brokers. If Buyer and Seller are unable to agree upon who will pay for the cost to cure and neither party timely voids this Contract, then Buyer will be deemed to have waived its right to terminate this Contract and will bear the cost to cure that is over 1% of the purchase price, with Seller bearing the cost that is under 1% of the purchase price.

(D) Buyer's Right to Inspections.

Buyer acknowledges that the Property is being sold in an "as is" condition and that this Contract is entered into based upon the knowledge of Buyer as to the value of the land and whatever buildings are upon the Property, and not on any representation made by Seller, Brokers or their agents as to character or quality of the Property. Therefore, Buyer, at Buyer's sole cost and expense, is granted the right to have the dwelling and all other aspects of the Property, inspected and evaluated by "qualified inspectors" (as the term is defined in subsection H below) for the purpose of determining the existence of any physical defects or environmental conditions such as outlined above. If Buyer chooses to make inspections referred to in this paragraph, such inspections must be completed, and written reports including a list of repairs Buyer is requesting must be furnished to Seller and Brokers within **5** (if left blank, then 14) calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within **5** (if left blank, then 14) calendar days after the parties agree to the terms of this Contract. If Buyer fails to furnish such written reports to Seller and Brokers within the **5** (if left blank, then 14) calendar days specified in this paragraph, this contingency clause shall be deemed waived by Buyer, and the Property shall be deemed acceptable by Buyer. The time period for furnishing the inspection reports is referred to as the "Inspection Time Period." Seller shall have all utilities in service for inspections.

(E) Responsibility to Cure.

If any physical defects or environmental conditions (other than radon or woodboring insects) are reported by the qualified inspectors to Seller within the Inspection Time Period, Seller shall then have seven (7) business days after the receipt of such reports to notify Buyer in writing that Seller shall correct or cure any of the defects set forth in such reports. If Seller fails to notify Buyer of Seller's agreement to so cure and correct, such failure to so notify shall be deemed to be a refusal by Seller to cure or correct such defects. If Seller fails to agree to cure or correct such defects within the seven (7) business day period, or if the environmental condition at the Property (other than radon) is incurable and is of such significance as to unreasonably endanger the health of Buyer, Buyer shall then have the right to void this Contract by notifying Seller in writing within seven (7) business days thereafter. If Buyer fails to void this Contract within the seven (7) business day period, Buyer shall have waived Buyer's right to cancel this Contract and this Contract shall remain in full force, and Seller shall be under no obligation to correct or cure any of the defects set forth in the inspections. If Seller agrees to correct or cure such defects, all such repair work shall be completed by Seller prior to the closing of title. Radon at the Property shall be governed by the provisions of paragraph (B), above.

 Buyer's Initials: ____________________ **Seller's Initials:** ____________________

(F) Flood Risks.

Flood risks in New Jersey are growing due to the effects of climate change. Coastal and inland areas may experience significant flooding now and in the near future, including in places that were not previously known to flood. For example, by 2050, it is likely that sea-level rise will meet or exceed 2.1 feet above 2000 levels, placing over 40,000 New Jersey properties at risk of permanent coastal flooding. In addition, precipitation intensity in New Jersey is increasing at levels significantly above historic trends, placing inland properties at greater risk of flash flooding. These and other coastal and inland flood risks are expected to increase within the life of a typical mortgage originated in or after 2020.

To learn more about these impacts, including the flood risk to the property, visit njreal.to/flood-disclosure. To learn more about how to prepare for a flood emergency, visit njreal.to/flood-planning.

(G) Flood Hazard Area.

The federal and state governments have designated certain areas as flood areas. If the Property is located in a flood area, the use of the Property may be limited. If Buyer's inquiry reveals that the Property is in a flood area, Buyer may cancel this Contract within ten (10) calendar days after the attorney-review period is completed or, if this Contract is timely disapproved by an attorney as provided in the Attorney-Review Clause Section of this Contract, then within ten (10) calendar days after the parties agree to the terms of this Contract. If the mortgage lender requires flood insurance, then Buyer shall be responsible for obtaining such insurance on the Property. For a flood policy to be in effect immediately, there must be a loan closing. There is a thirty (30) calendar day wait for flood policies to be in effect for cash transactions. Therefore, cash buyers are advised to make application and make advance payment for a flood policy at least thirty (30) calendar days in advance of closing if they want coverage to be in effect upon transfer of title.

Buyer's mortgage lender may require Buyer to purchase flood insurance in connection with Buyer's purchase of this Property. The National Flood Insurance Program ("NFIP") provides for the availability of flood insurance but also establishes flood insurance policy premiums based on the risk of flooding in the area where properties are located. Due to amendments to federal law governing the NFIP, those premiums are increasing and, in some cases, will rise by a substantial amount over the premiums previously charged for flood insurance for the Property. As a result, Buyer should not rely on the premiums paid for flood insurance on this Property previously as an indication of the premiums that will apply after Buyer completes the purchase. In considering Buyer's purchase of this Property, Buyer is therefore urged to consult with one or more carriers of flood insurance for a better understanding of flood insurance coverage, the premiums that are likely to be required to purchase such insurance and any available information about how those premiums may increase in the future.

(H) Qualifications of Inspectors.

Where the term "qualified inspectors" is used in this Contract, it is intended to refer to persons or businesses that are licensed or certified by the State of New Jersey for such purpose.

(I) Water Quality.

Buyer acknowledges that Seller, the Broker(s) and/or its agent(s) make no representations concerning the quality of the drinking water or any drinking water health advisories issued by federal, state and/or municipal agencies, including but not limited to concerning manufactured chemicals, such as per - and poly-fluoalkyl substances ("PFAS"), or otherwise, at the Property, except as set forth by Seller in the Seller Property Disclosure Statement, if applicable. Buyer has the right and is advised to contact the local water utility, the municipality where the Property is located and/or the New Jersey Department of Environmental Protection to learn more about the drinking water at the Property, as well as testing, monitoring and reducing exposure to contaminants.

17. MEGAN'S LAW STATEMENT:

Under New Jersey law, the county prosecutor determines whether and how to provide notice of the presence of convicted sex offenders in an area. In their professional capacity, real estate licensees are not entitled to notification by the county prosecutor under Megan's Law and are unable to obtain such information for you. Upon closing, the county prosecutor may be contacted for such further information as may be disclosable to you.

18. MEGAN'S LAW REGISTRY:

Buyer is notified that New Jersey law establishes an Internet Registry of Sex Offenders that may be accessed at www.njsp.org. Neither Seller nor any real estate broker or salesperson make any representation as to the accuracy of the registry.

19. NOTIFICATION REGARDING OFF-SITE CONDITIONS: (Applicable to all resale transactions.)

Pursuant to the New Residential Construction Off-Site Conditions Disclosure Act, N.J.S.A. 46:3C-1, et seq., the clerks of municipalities in New Jersey maintain lists of off-site conditions which may affect the value of residential properties in the vicinity of the off-site condition. Buyers may examine the lists and are encouraged to independently investigate the area surrounding this property in order to become familiar with any off-site conditions which may affect the value of the property. In cases where a property is located near the border of a municipality, buyers may wish to also examine the list maintained by the neighboring municipality.

20. AIR SAFETY AND ZONING NOTICE:
Any person who sells or transfers a property that is in an airport safety zone as set forth in the New Jersey Air Safety and Zoning Act of 1983, N.J.S.A. 6:1-80, et seq., and appearing on a municipal map used for tax purposes, as well as Seller's agent, shall provide notice to a prospective buyer that the property is located in an airport safety zone prior to the signing of the contract of sale. The Air Safety and Zoning Act also requires that each municipality in an airport safety zone enact an ordinance or ordinances incorporating the standards promulgated under the Act and providing for their enforcement within the delineated areas in the municipality. Buyer acknowledges receipt of the following list of airports and the municipalities that may be affected by them and that Buyer has the responsibility to contact the municipal clerk of any affected municipality concerning any ordinance that may affect the Property.

Municipality	**Airport(s)**	**Municipality**	**Airport(s)**
Alexandria Tp.	Alexandria & Sky Manor	Manalapan Tp. (Monmouth Cty.)	Old Bridge
Andover Tp.	Aeroflex-Andover & Newton	Mansfield Tp.	Hackettstown
Bedminster Tp.	Somerset	Manville Bor.	Central Jersey Regional
Berkeley Tp.	Ocean County	Medford Tp.	Flying W
Berlin Bor.	Camden County	Middle Tp.	Cape May County
Blairstown Tp.	Blairstown	Millville	Millville Municipal
Branchburg Tp.	Somerset	Monroe Tp. (Gloucester Cty.)	Cross Keys & Southern Cross
Buena Bor. (Atlantic Cty.)	Vineland-Downtown	Monroe Tp. (Middlesex Cty.)	Old Bridge
Dennis Tp.	Woodbine Municipal	Montgomery Tp.	Princeton
Eagleswood Tp.	Eagles Nest	Ocean City	Ocean City
Ewing Tp.	Trenton-Mercer County	Old Bridge Tp.	Old Bridge
E. Hanover Tp.	Morristown Municipal	Oldmans Tp.	Oldmans
Florham Park Bor.	Morristown Municipal	Pemberton Tp.	Pemberton
Franklin Tp. (Gloucester Cty.)	Southern Cross & Vineland Downtown	Pequannock Tp.	Lincoln Park
Franklin Tp. (Hunterdon Cty.)	Sky Manor	Readington Tp.	Solberg-Hunterdon
Franklin Tp. (Somerset Cty.)	Central Jersey Regional	Rocky Hill Boro.	Princeton
Hammonton Bor.	Hammonton Municipal	Southampton Tp.	Red Lion
Hanover Tp.	Morristown Municipal	Springfield Tp.	Red Wing
Hillsborough Tp.	Central Jersey Regional	Upper Deerfield Tp.	Bucks
Hopewell Tp. (Mercer Cty.)	Trenton-Mercer County	Vineland City	Kroelinger & Vineland Downtown
Howell Tp.	Monmouth Executive	Wall Tp.	Monmouth Executive
Lacey Tp.	Ocean County	Wantage Tp.	Sussex
Lakewood Tp.	Lakewood	Robbinsville	Trenton-Robbinsville
Lincoln Park Bor.	Lincoln Park	West Milford Tp.	Greenwood Lake
Lower Tp.	Cape May County	Winslow Tp.	Camden County
Lumberton Tp.	Flying W & South Jersey Regional	Woodbine Bor.	Woodbine Municipal

The following airports are not subject to the Airport Safety and Zoning Act because they are subject to federal regulation or within the jurisdiction of the Port of Authority of New York and New Jersey and therefore are not regulated by New Jersey: Essex County Airport, Linden Airport, Newark Liberty Airport, Teterboro Airport, Little Ferry Seaplane Base, Atlantic City International Airport, and Maguire Airforce Base and NAEC Lakehurst.

21. BULK SALES:
The New Jersey Bulk Sales Law, N.J.S.A. 54:50-38, (the "Law") applies to the sale of certain residential property. Under the Law, Buyer may be liable for taxes owed by Seller if the Law applies and Buyer does not deliver to the Director of the New Jersey Division of Taxation (the "Division") a copy of this Contract and a notice on a form required by the Division (the "Tax Form") at least ten (10) business days prior to the Closing. If Buyer decides to deliver the Tax Form to the Division, Seller shall cooperate with Buyer by promptly providing Buyer with any information that Buyer needs to complete and deliver the Tax Form in a timely manner. Buyer promptly shall deliver to Seller a copy of any notice that Buyer receives from the Division in response to the Tax Form.

The Law does not apply to the sale of a simple dwelling house, or the sale or lease of a seasonal rental property, if Seller is an individual, estate or trust, or any combination thereof, owning the simple dwelling house or seasonal rental property as joint tenants, tenants in common or tenancy by the entirety. A simple dwelling house is a one or two family residential building, or a cooperative or condominium unit used as a residential dwelling, none of which has any commercial property. A seasonal rental property is a time share, or a dwelling unit that is rented for residential purposes for a term of not more than 125 consecutive days, by an owner that has a permanent residence elsewhere.

If, prior to the Closing, the Division notifies Buyer to withhold an amount (the "Tax Amount") from the purchase price proceeds for possible unpaid tax liabilities of Seller, Buyer's attorney or Buyer's title insurance company (the "Escrow Agent") shall withhold the Tax Amount from the closing proceeds and place that amount in escrow (the "Tax Escrow"). If the Tax Amount exceeds the amount of available closing proceeds, Seller shall bring the deficiency to the Closing and the deficiency shall be added to the Tax Escrow. If the

Division directs the Escrow Agent or Buyer to remit funds from the Tax Escrow to the Division or some other entity, the Escrow Agent or Buyer shall do so. The Escrow Agent or Buyer shall only release the Tax Escrow, or the remaining balance thereof, to Seller (or as otherwise directed by the Division) upon receipt of written notice from the Division that it can be released, and that no liability will be asserted under the Law against Buyer.

22. NOTICE TO BUYER CONCERNING INSURANCE:
Buyer should obtain appropriate casualty and liability insurance for the Property. Buyer's mortgage lender will require that such insurance be in place at Closing. Occasionally, there are issues and delays in obtaining insurance. Be advised that a "binder" is only a temporary commitment to provide insurance coverage and is not an insurance policy. Buyer is therefore urged to contact a licensed insurance agent or broker to assist Buyer in satisfying Buyer's insurance requirements.

23. MAINTENANCE AND CONDITION OF PROPERTY:
Seller agrees to maintain the grounds, buildings and improvements, in good condition, subject to ordinary wear and tear. The premises shall be in "broom clean" condition and free of debris as of the Closing. Seller represents that all electrical, plumbing, heating and air conditioning systems (if applicable), together with all fixtures included within the terms of the Contract now work and shall be in proper working order at the Closing. Seller further states, that to the best of Seller's knowledge, there are currently no leaks or seepage in the roof, walls or basement. Seller does not guarantee the continuing condition of the premises as set forth in this Section after the Closing.

24. RISK OF LOSS:
The risk of loss or damage to the Property by fire or otherwise, except ordinary wear and tear, is the responsibility of Seller until the Closing.

25. INITIAL AND FINAL WALK-THROUGHS:
In addition to the inspections set forth elsewhere in this Contract, Seller agrees to permit Buyer or Buyer's duly authorized representative to conduct an initial and a final walk-through inspection of the interior and exterior of the Property at any reasonable time before the Closing. Seller shall have all utilities in service for the inspections.

26. ADJUSTMENTS AT CLOSING:
Seller shall pay for the preparation of the Deed, realty transfer fee, lien discharge fees, if any, and one-half of the title company charges for disbursements and attendance allowed by the Commissioner of Insurance; but all searches, title insurance premium and other conveyancing expenses are to be paid for by Buyer.

Seller and Buyer shall make prorated adjustments at Closing for items which have been paid by Seller or are due from Seller, such as real estate taxes, water and sewer charges that could be claims against the Property, rental and security deposits, association and condominium dues, and fuel in Seller's tank. Adjustments of fuel shall be based upon physical inventory and pricing by Seller's supplier. Such determination shall be conclusive.

If Buyer is assuming Seller's mortgage loan, Buyer shall credit Seller for all monies, such as real estate taxes and insurance premiums paid in advance or on deposit with Seller's mortgage lender. Buyer shall receive a credit for monies, which Seller owes to Seller's Mortgage lender, such as current interest or a deficit in the mortgage escrow account.

If the Property is used or enjoyed by not more than four families and the purchase price exceeds $1,000,000, then pursuant to N.J.S.A. 46:15-7.2, Buyer will be solely responsible for payment of the fee due for the transfer of the Property, which is the so-called "Mansion "Tax, in the amount of one (1%) percent of the purchase price.

Unless an exemption applies, non-resident individuals, estates, or trusts that sell or transfer real property in New Jersey are required to make an estimated gross income tax payment to the State of New Jersey on the gain from a transfer/sale of real property (the so-called "Exit Tax,") as a condition of the recording of the deed.

If Seller is a foreign person (an individual, corporation or entity that is a non-US resident) under the Foreign Investment in Real Property Tax Act of 1980, as amended ("FIRPTA"), then with a few exceptions, a portion of the proceeds of sale may need to be withheld from Seller and paid to the Internal Revenue Service as an advance payment against Seller's tax liability.
Seller agrees that, if applicable, Seller will (a) be solely responsible for payment of any state or federal income tax withholding amount(s) required by law to be paid by Seller (which Buyer may deduct from the purchase price and pay at the Closing); and (b) execute and deliver to Buyer at the Closing any and all forms, affidavits or certifications required under state and federal law to be filed in connection with the amount(s) withheld.

There shall be no adjustment on any Homestead Rebate due or to become due.

27. FAILURE OF BUYER OR SELLER TO CLOSE:
If Seller fails to close title to the Property in accordance with this Contract, Buyer then may commence any legal or equitable action to which Buyer may be entitled. If Buyer fails to close title in accordance with this Contract, Seller then may commence an action for damages it has suffered, and, in such case, the deposit monies paid on account of the purchase price shall be applied against such damages. If Buyer or Seller breach this Contract, the breaching party will nevertheless be liable to Brokers for the commissions in the amount set forth in this Contract, as well as reasonable attorneys' fees, costs and such other damages as are determined by the Court. If either Seller or Buyer commence such an action, in addition to any other remedy, the prevailing party will be entitled to reasonable attorneys' fees, costs and such other relief as is determined by the Court.

28. CONSUMER INFORMATION STATEMENT ACKNOWLEDGMENT:
By signing below, Seller and Buyer acknowledge they received the Consumer Information Statement on New Jersey Real Estate Relationships from the Broker(s) prior to the first showing of the Property.

29. DECLARATION OF BROKER(S)'S BUSINESS RELATIONSHIP(S):
(A) Vanguard Realty Group, Inc , (name of firm) and its authorized representative(s) Sharonn Thomas-Pope
____________ (name(s) of licensee(s))

ARE OPERATING IN THIS TRANSACTION AS A (indicate one of the following)
☒ SELLER'S AGENT ☐ BUYER'S AGENT ☐ DISCLOSED DUAL AGENT ☐ DESIGNATED AGENTS
☐ TRANSACTION BROKER.

(B) (If more than one firm is participating, provide the following.) INFORMATION SUPPLIED BY The Affordable Homes Group d/b/a DELTA REAL ESTATE (name of other firm.) HAS INDICATED THAT IT IS OPERATING IN THIS TRANSACTION AS A (indicate one of the following)
☐ SELLER'S AGENT ☒ BUYER'S AGENT ☐ TRANSACTION BROKER.

30. BROKERS' INFORMATION AND COMMISSION:
The commission, in accord with the previously executed brokerage services agreement(s) between Broker for Buyer and Buyer, if applicable, and between Broker for the Seller and Seller, if applicable, shall be due and payable at the Closing and payment by Buyer of the purchase consideration for the Property. Seller hereby authorizes and instructs whoever is the disbursing agent to pay the full commission as set forth below to the below-mentioned Listing Broker and, if applicable, to Participating Broker out of the proceeds of sale prior to the payment of any such funds to Seller. Buyer consents to the disbursing agent making said disbursements and authorizes and instructs whoever is the disbursing agent to disburse to Participating Broker the full commission due to Participating Broker that is paid by Buyer at the Closing. The commission shall be paid upon the purchase price set forth in Section 2 and shall include any amounts allocated to, among other things, furniture and fixtures.

Listing Broker: **Vanguard Realty Group, Inc**	REC License ID: **1645151**	**Participating Broker:** **The Affordable Homes Group d/b/a DELTA**	REC License ID: **0019105**
Agent at Listing Broker: **Sharonn Thomas-Pope**	REC License ID: **0453467**	**Agent at Participating Broker:** **Kent R. Pipes**	REC License ID: **7943025**
Address: **923 Haddonfield Rd, Suite 300** **Cherry Hill, NJ 08002**		Address: **1841 Burlington-Mt. Holly Rd.** **Westampton, NJ 08060**	
Office Phone: **(856)324-8264**	Fax: **(856)524-8264**	Office Phone: **(609)261-4571**	Fax:
Agent Cell Phone: **(215)669-4470**	E-mail: **Sharonn.Thomas@comcast.net**	Agent Cell Phone: **(609)284-8893**	E-mail: **pipeskent@gmail.com**
Commission due Listing Broker Per Listing or Other Written Agreement		**Commission due Participating Broker** Per Buyer Agency or Other Written Agreement	
From Seller: **2% - $160.00 Technology Fee**	From Buyer:	From Seller: **2%**	From Buyer:

31. EQUITABLE LIEN:
Under New Jersey law, brokers who bring the parties together in a real estate transaction are entitled to an equitable lien in the amount of their commission. This lien attaches to the property being sold from when the contract of sale is signed until the closing and then to the funds due to seller at closing, and is not contingent upon the notice provided in this Section. As a result of this lien, the party who

disburses the funds at the Closing in this transaction should not release any portion of the commission to any party other than Broker(s) and, if there is a dispute with regard to the commission to be paid, should hold the disputed amount in escrow until the dispute with Broker(s) is resolved and written authorization to release the funds is provided by Broker(s).

32. DISCLOSURE THAT BUYER OR SELLER IS A REAL ESTATE LICENSEE: ☒ Applicable ☐ Not Applicable
A real estate licensee in New Jersey who has an interest as a buyer or seller of real property is required to disclose in the sales contract that the person is a licensee. **Kent R. Pipes** therefore discloses that he/she is licensed in New Jersey as a real estate ☒ broker ☐ broker-salesperson ☐ salesperson ☐ referral agent.

33. BROKERS TO RECEIVE CLOSING DISCLOSURE AND OTHER DOCUMENTS:
Buyer and Seller agree that Broker(s) involved in this transaction will be provided with the Closing Disclosure documents and any amendments to those documents in the same time and manner as the Consumer Financial Protection Bureau requires that those documents be provided to Buyer and Seller. In addition, Buyer and Seller agree that, if one or both of them hire an attorney who disapproves this Contract as provided in the Attorney-Review Clause Section, then the attorney(s) will notify the Broker(s) in writing when either this Contract is finalized or the parties decide not to proceed with the transaction.

34. PROFESSIONAL REFERRALS:
Seller and Buyer may request the names of attorneys, inspectors, engineers, tradespeople or other professionals from their Brokers involved in the transaction. Any names provided by Broker(s) shall not be deemed to be a recommendation or testimony of competency of the person or persons referred. Seller and Buyer shall assume full responsibility for their selection(s) and hold Brokers and/or salespersons harmless for any claim or actions resulting from the work or duties performed by these professionals.

35. ATTORNEY-REVIEW CLAUSE:
(1) Study by Attorney.
Buyer or Seller may choose to have an attorney study this Contract. If an attorney is consulted, the attorney must complete his or her review of the Contract within a three-day period. This Contract will be legally binding at the end of this three-day period unless an attorney for Buyer or Seller reviews and disapproves of the Contract.

(2) Counting the Time.
You count the three days from the date of delivery of the signed Contract to Buyer and Seller. You do not count Saturdays, Sundays or legal holidays. Buyer and Seller may agree in writing to extend the three-day period for attorney review.

(3) Notice of Disapproval.
If an attorney for the Buyer or Seller reviews and disapproves of this Contract, the attorney must notify the Broker(s) and the other party named in this Contract within the three-day period. Otherwise this Contract will be legally binding as written. The attorney must send the notice of disapproval to the Broker(s) by fax, e-mail, personal delivery, or overnight mail with proof of delivery. Notice by overnight mail will be effective upon mailing. The personal delivery will be effective upon delivery to the Broker's office. The attorney may also, but need not, inform the Broker(s) of any suggested revision(s) in the Contract that would make it satisfactory.

36. NOTICES:
All notices shall be by certified mail, fax, e-mail, recognized overnight courier or electronic document (except for notices under the Attorney-Review Clause Section) or by delivering it personally. The certified letter, e-mail, reputable overnight carrier, fax or electronic document will be effective upon sending. Notices to Seller and Buyer shall be addressed to the addresses in Section 1, unless otherwise specified in writing by the respective party.

37. NO ASSIGNMENT:
This Contract shall not be assigned without the written consent of Seller. This means that Buyer may not transfer to anyone else Buyer's rights under this Contract to purchase the Property.

38. ELECTRONIC SIGNATURES AND DOCUMENTS:
Buyer and Seller agree that the New Jersey Uniform Electronic Transaction Act, N.J.S.A. 12A:12-1 to 26, applies to this transaction, including but not limited to the parties and their representatives having the right to use electronic signatures and electronic documents that are created, generated, sent, communicated, received or stored in connection with this transaction. Since Section 11 of the Act provides that acknowledging an electronic signature is not necessary for the signature of such a person where all other information required to be included is attached to or logically associated with the signature or record, such electronic signatures, including but not limited to an electronic signature of one of the parties to this Contract, do not have to be witnessed.

39. CORPORATE RESOLUTIONS:
If Buyer or Seller is a corporate or other entity, the person signing below on behalf of the entity represents that all required corporate resolutions have been duly approved and the person has the authority to sign on behalf of the entity.

 Buyer's Initials: ____________________ **Seller's Initials:** ____________________

 43 Sharpless Blvd

40. ENTIRE AGREEMENT; PARTIES LIABLE:
This Contract contains the entire agreement of the parties. No representations have been made by any of the parties, the Broker(s) or its salespersons, except as set forth in this Contract. This Contract is binding upon all parties who sign it and all who succeed to their rights and responsibilities and only may be amended by an agreement in writing signed by Buyer and Seller.

41. APPLICABLE LAWS:
This Contract shall be governed by and construed in accordance with the laws of the State of New Jersey and any lawsuit relating to this Contract or the underlying transaction shall be venued in the State of New Jersey.

42. ADDENDA:
The following additional terms are included in the attached addenda or riders and incorporated into this Contract (check if applicable):

- ☐ Buyer's Property Sale Contingency
- ☐ Condominium/Homeowner's Associations
- ☐ Coronavirus
- ☐ FHA/VA Loans
- ☐ Lead Based Paint Disclosure (Pre-1978)
- ☐ New Construction
- ☐ Private Sewage Disposal (Other than Cesspool)
- ☐ Private Well Testing
- ☐ Properties With Three (3) or More Units
- ☐ Seller Concession
- ☐ Short Sale
- ☐ Solar Panel
- ☐ Swimming Pools
- ☐ Underground Fuel Tank(s)

43. ADDITIONAL CONTRACTUAL PROVISIONS:
The property is being sold in AS-AS condition with all necessay repairs, including the certificate of occupancy and fire inspection being the sole responsibility of the buyer. While Information provided is believed to be from reliable sources, it is not guaranteed, and the buyer is encouraged to conduct their own due diligence. Time is of the essence, with the closing date set for on or before April 23, 2025. Should the buyer fail to meet this deadline, they will be charged a per diem fee of $100.00 for each day beyond the scheduled closing.

The Seller's Purchase Addendum shall supercede the state contract.

WITNESS:

______________________	______________________ BUYER **The Salt and Light Company, Inc.**	__________ Date
______________________	______________________ BUYER	__________ Date
______________________	______________________ BUYER	__________ Date
______________________	______________________ BUYER	__________ Date
______________________	______________________ SELLER **Hudson Homes Management, LLC**	__________ Date
______________________	______________________ SELLER	__________ Date
______________________	______________________ SELLER	__________ Date
______________________	______________________ SELLER	__________ Date

NEW JERSEY REALTORS®

WIRE FRAUD NOTICE

PROTECT YOURSELF FROM BECOMING A VICTIM OF WIRE FRAUD. Wire fraud has become very common. It typically involves a criminal hacker sending fraudulent wire transfer instructions in an e-mail to an unsuspecting buyer/ tenant or seller/landlord in a real estate transaction that appears as though it is from a trusted source, such as the victim's broker, attorney, appraiser, home inspector or title agent. The e-mail may look exactly like other e-mails that the victim received in the past from such individuals, including having the same or a similar e-mail address, accurate loan and other financial information, and the logo of one of those individuals. If the hacker is successful, the victim will follow the bogus instructions to wire money, such as deposit money or payment of an invoice, to the hacker's account. Once this money has been wired, it may not be possible to recover it.

We strongly recommend that, **before** you wire funds to any party, including your own attorney, real estate broker or title agent, you **personally call** them to confirm the account number and other wire instructions. You only should call them at a number that you have obtained on your own (e.g., from the sales contract, their website, etc.) and should **not** use any phone number that is in any e-mail - **even if the e-mail appears to be from someone you know**.

If you have any reason to believe that your money was sent to a hacker, you must immediately contact your bank and your local office of the Federal Bureau of Investigation, who can work with other agencies to try to recover your money, to advise them where and when the money was sent. You also should promptly file a complaint with the Internet Crime Center at bec.ic3.gov.

Finally, since much of the information included in such fraudulent e-mails is obtained from e-mail accounts that are not secure, we strongly recommend that you not provide any sensitive personal or financial information in an e-mail or an attachment to an e-mail. Whenever possible, such information, including Social Security numbers, bank account and credit card numbers and wiring instructions, should be sent by more secure means, such as by hand delivery, over the phone, or through secure mail or overnight services.

By signing below, you indicate that you have read and understand the contents of this Notice:

Seller/Landlord: ______________________________ **Date:** ______________
Hudson Homes Management, LLC

Seller/Landlord: ______________________________ **Date:** ______________

Buyer/Tenant: ______________________________ **Date:** ______________
The Salt and Light Company, Inc.

Buyer/Tenant: ______________________________ **Date:** ______________

 43 Sharpless Blvd

NEW JERSEY REALTORS®
COOPERATING BROKER COMPENSATION AGREEMENT
(SALE)

This Cooperating Broker Compensation Agreement ("Agreement"), is made on **March 11, 2025** (date), between

the broker, **Vanguard Realty Group, Inc** (name of brokerage firm), having its principal office at **923 Haddonfield Rd, Ste 300, Cherry Hill, NJ 08002** ("Seller's Broker"), representing the seller or sellers (collectively "Seller"), and

the broker, **The Affordable Homes Group d/b/a DELTA REAL ESTATE** (name of brokerage firm), having its principal office at **1841 Burlington-Mt. Holly Rd., Westampton, NJ 08060** ("Buyer's Broker"), representing the buyer or buyers (collectively "Buyer"),

concerning real estate located at **43 Sharpless Blvd, Westampton, NJ 08060** (the "Property").

Sharonn Thomas-Pope (name of licensee) ("Seller's Agent"), who is affiliated with Seller's Broker, and Kent R. Pipes (name of licensee) ("Buyer's Agent"), who is affiliated with Buyer's Broker, represent that they have explained to their respective clients that all compensation to brokers is fully negotiable, that compensation is not set by law and that neither Seller's Broker nor Seller have any obligation to offer cooperating compensation to a cooperating buyer broker.

However, Seller has decided that it is in Seller's best interest to offer compensation to a cooperating broker. Accordingly, Seller has authorized and instructed, in writing, Seller's Broker to offer compensation to cooperating buyer's brokers as set forth below.

Buyer's Agent represents that Buyer may make an offer, has made an offer or has entered into a contract to purchase the Property from Seller.

This Agreement is entered into to memorialize the negotiated and agreed to cooperative compensation between Seller's Broker and Buyer's Broker. The terms of this Agreement may not be modified unless made in writing and signed by both parties.

Provided that Seller's Broker receives compensation for the transaction from Seller, whether at the closing or otherwise, Seller's Broker agrees to pay to Buyer's Broker the following cooperative broker compensation when Seller's Broker receives compensation from Seller:

- [X] **2.000** (%) percent of the purchase price;
- [ ] $ __________ as a flat fee; and/ or
- [ ] Other: __________

Notwithstanding Seller's and Seller's Broker's offer of cooperative compensation above, Buyer's Broker cannot accept compensation from any source that is more than the amount agreed to between Buyer's Broker and Buyer.

This Agreement shall continue in effect until the earlier of (1) the termination of the brokerage service agreement between Seller's Broker and Seller, including any extension or renewal of the agreement, (2) Seller closes on the sale of the Property with another buyer, or (3) payment of compensation by Seller's Broker to Buyer's Broker as provided in this Agreement. In the alternative, this Agreement shall terminate as follows, including but not limited to a certain date, occurrence, or condition: __________.

Unless otherwise agreed to in writing by both parties, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be submitted to mediation and arbitration as provided in the National Association of REALTORS®' Code of Ethics and Standards of Practice before a REALTOR® Association located in the State of New Jersey at the choice of the party filing for mediation/ arbitration.

Seller's Agent and Buyer's Agent acknowledge that they have provided their respective clients with a copy of this Agreement and are authorized to enter into this Agreement on behalf of their respective brokers and clients.

Seller's Agent: __________ Date: __________ Buyer's Agent: __________ Date: __________

Sharonn Thomas-Pope **Kent R. Pipes**

1st Colonial Community Bank

March 6, 2024

The Salt & Light Company, Inc.
1841 Burlington-Mt. Holly Road
Westampton, NJ 08060

Re: Term Sheet – Revolving LOC to acquire single-family real estate under the NJHMFA Foreclosure Intervention Program and cash out financing on existing real estate to provide min. cash equity injection.

Dear Kent:

This letter will serve as acknowledgment that you have requested information from 1st Colonial Community Bank (hereafter, "Bank") as to the financing available for the above referenced purpose. ***This letter is intended as a preliminary proposal for discussion purposes only and is not to be construed as a commitment to lend on the part of the Bank.***

COMMERCIAL TERM SHEET

Credit Request #1

Borrower:	The Salt & Light Company, Inc.
Guarantors:	The Affordable Homes Group, Inc., Transitional Housing Services, Inc. and Kent Pipes.
Loan Amount:	$600,000.00
Purpose:	Revolving LOC to purchase SF residences earmarked for the NJHMFA Foreclosure Intervention Program.
Interest Rate:	WSJP Prime + 1.00%, floating, floor of 7.50%
Term:	12-Months
Loan Payment:	Interest only based on the average daily outstanding balance and prevailing interest rate. Principal and accrued interest due at maturity.
Loan Fee:	1% ($8,000), plus loan closing costs. Borrower responsible for all Bank incurred costs associated with the funding of each project.

Loan Documentation Fee: $500.00

Collateral: Borrower to pledge title insured 1st mortgages and assignment of leases and rents on the following permanent collateral:

1. 1 Ridge View Place, Willingboro, NJ
2. 35 Club House Drive, Willingboro, NJ

Minimum aggregate valuation for the permanent collateral is $350,000.

Additionally, Borrower to provide a title insured 1st mortgage and assignment of leases and rents on each real estate property acquired with Bank loan funds.

Prepayment Penalty: None.

Advances: Bank to advance up to $300,000 or 75% of the agreed upon purchase price, whichever is the lesser amount, for the purchase of a single-family home under the NJHMFA Foreclosure Intervention Program. Maximum of 2- houses to be funded by the Bank at any one time. See below for additional terms and conditions.

Deposit Relationship: Borrower and related entities to move the operation deposit accounts to 1st Colonial Community Bank.

Collateral Release Provision: Borrower to paydown the principal balance associated with the sale of each home acquired with Bank funding, Borrower to paydown principal equivalent to the amount advanced for said property, plus any accrued interest.

Limits & Restrictions: Bank to advance no greater than $300,000 toward the purchase of one single family home under the NJHMFA Foreclosure Intervention Program. Maximum 2-homes to be funded at the same time. Borrower to provide copy of the sale agreement, overall project budget and if applicable, an itemized renovation budget. Borrower to provide evidence that a grant application has been made to the NJHMFA Foreclosure Intervention Program. Each home acquisition is subject to the Bank obtaining a satisfactory "as is" appraisal and evidence of clear title. In no event shall the Bank's LTV exceed 75%. Borrower to execute all necessary mortgage documents on the date of purchase and is responsible for all associated costs and satisfy all Bank conditions.

Bank to have up to 21-days to process a funding request and is under no obligation to fund in the event an appraisal is not satisfactory and/or clear title cannot be obtained.

NJHMFA grant funds to be used to satisfy all Bank debt associated with the subject project upon receipt. Failure to obtain NJHMFA grant funds shall result in the immediate suspension of all further financing.

Credit Request #2

Borrower:	The Salt & Light Company, Inc.
Guarantors:	The Affordable Homes Group, Inc., Transitional Housing Services, Inc. and Kent Pipes.
Loan Amount:	$200,000.00
Purpose:	Cash out refinance to provide cash equity injection for purchase of housing through the NJHMFA Foreclosure Intervention Program.
Interest Rate:	8.25%, fixed.
Term:	2-year balloon.
Amortization:	Twenty-five (25) years.
Loan Payment:	Approximately $1,577 per month, principal and interest, based on 25-year amortization. Balloon payment due at maturity.
Loan Fee:	1% of the loan amount ($2,000).
Loan Documentation Fee:	$500.00
Collateral:	Title insured 1st mortgage and assignment of rents and leases on real estate located at 1 Ridge View Place, Willingboro, NJ and 35 Club House Drive, Willingboro, NJ.
Prepayment Penalty:	None.
Limits & Restrictions:	Loan proceeds to be placed in a 1st CCB controlled escrow account post-closing and released to fund min. down payment requirement for a property to be purchased through the NJHMFA Foreclosure Intervention Program. NJHMFA grant funds to be used to replenish the escrow account on a dollar for dollar basis associated with the subject project upon receipt. Failure to obtain NJHMFA grant funds shall result in the immediate suspension of all further escrow release requests. Unless otherwise extended by the Bank, escrow funds will be used to satisfy the outstanding principal plus accrued interest at maturity.

Please be advised that this letter is a preliminary summary only and shall not be deemed to be inclusive or exhaustive and shall not be deemed to be a commitment to lend funds. This proposal is subject to formal credit approval and all other standard terms and conditions that would be typical for loans of this type The foregoing indicative terms and conditions are based upon the preliminary understanding of the Bank of the facts and circumstance relating to Borrower and the Collateral. As additional or changed facts or circumstances become known to the Bank or its counsel, the Bank may propose to impose additional terms and conditions for the Proposed Loan.

Borrower acknowledges that this letter is not a binding agreement, and it is understood that neither party shall have any liability or in any way be committed to the other on account of this letter of the Proposed Loan unless and until, if ever, a binding commitment letter authorized by the Bank's credit committee is executed by Bank and Borrower. This letter and its contents are confidential and are intended for your use only. It is not to be shown and/or reviewed with any other party without the expressed authorization of the Bank.

I look forward to discussing this opportunity and reviewing any questions, issues, or suggestions that arise. Thank you again for your valued business.

Very truly yours,

Mark Jorgensen, SVP
856.858.3070
mjorgensen@1stcolonial.com

REVIEWED & ACKNOWLEDGED BY:

By: The Salt & Light Company, Inc.

By: ______________________ Date: 3/6/2024

Name: Kent Pipes

Title: President

By Guarantor:

By: ______________________________ Date: 3/6/2024

Guarantor Name: Kent Pipes

President: The Affordable Homes Group

By Guarantor:

By: ______________________________ Date: 3/6/2024

Guarantor Name: Kent Pipes

President: Transitional Housing Services, Inc.

By Guarantor:

By: ______________________________ Date: 3/6/2024

Guarantor Name: Kent Pipes

Individual

<u>43 Sharpless Drive, Westampton, NJ Work Write Up / Estimate of Repairs and Upgrades</u>

Home Inspection Report Repair items

Already Completed by REO Lender prior to listing:

4.2.1 Grounds - Driveway and Walkway Condition: Asphalt – Deterioration

4.4.1 Grounds - Vegetation Observations: Tree(s) - Limbs Within 10 Feet of Roof

5.1.1 Roof - General Info: Past/Present Leaks Observed 5.4.1 Roof - Shingles: Age - End of Life

5.5.1 Roof - Vents/Roof Protrusions: Vent Stack - Improperly Flashed

5.8.1 Roof - Gutters/Downspouts: Downspout(s) - Terminating Near Foundation

6.3.1 Interior Areas & Items - Windows: Operation - Sash Doesn't Stay Open

7.5.1 Kitchen - Oven/Range: Safety - Anti-Tip Bracket Missing

11.1.1 Water Heater - Water Heater Condition: Water heater Flue Vent -Undersized

12.7.1 Plumbing - Gas Pipes: Gas Lines Taped

13.5.1 Electrical - Service Equipment/Electrical Panel: Neutral(s) - Sharing Terminal(s)

13.10.1 Electrical - Receptacles: Receptacle(s) - Loose at Wall

14.7.1 Attic, Roof Structure, & Ventilation - Exhaust Fan(s): Undetermined Vent Disconnected

14.8.1 Attic, Roof Structure, & Ventilation - Plumbing Stack Vents: Moisture Stains Around Plumbing Vents

16.1.1 Environmental Information - Odors Present: Referenced Odor(s) Present

Still needing to be completed by the buyer:

4.6.1 Grounds - Exterior Spigots: Spigot(s) - Not Functional Estimated Cost for Contractor: $300

4.6.2 Grounds - Exterior Spigots: Spigot(s) - Loose at Wall Estimated Cost Included in 4.6.1

8.7.1 Bathroom(s) - Toilet(s): Toilet - Loose at Floor *Replace with new, Water Sense certified, 1.2 GPF including new shut-off valves* Estimated cost for contractor: $1,000

9.3.1 Laundry - Dryer Vent: Dryer Exhaust -Fan Present – *Have licensed plumber check and upgrade / repair and verify proper venting.* Estimated cost for licensed plumber: $300

16.2.1 Environmental Information - Rodent/Vermin Concerns: Evidence of Rodent Activity – *Set traps and verify infestation is eradicated.* Salt and Light Company licensed NJ Pesticide Applicator. Estimated Cost: $150

Upgrade items

1. Install new Energy Star washer and dryer. Estimated Cost: $1,800

2. Install new 22 cu. ft. Energy Star refrigerator. Estimated Cost $1,400.

3. Install new over the range microwave. Estimated Cost: $360

4. Clean all air ducts – contracted to professional company. Cost: $500

5. Replace front entry door locks with new lockset and deadbolt. Estimated Cost for material: $200

6. Replace light fixtures and all light bulbs with LED Energy Star bulbs. Estimated Cost for material: $1,200

7. Remove and replace builder-grade kitchen cabinets that have been painted with new. Estimated Cost for contractor job: $4,000

8. Remove existing countertops and install new granite with undermount sink. Estimated Cost for contractor job: $3,500

9. Remove and replace 370 SF of vinyl laminate flooring in 1st floor entry way, dining area, hallway, utility / laundry room and kitchen and replace with waterproof laminated vinyl. Estimated contractor price @ $6.00 / SF = $2,220

10. Spackle, prime and paint all walls as needed. Paint the wainscoating in Kitchen to complement cabinets and countertop. Estimated material cost: $150.00

12. Replace wall mounted glass mirror in both bathrooms with attractive medicine cabinets. Estimated cost for materials: $500

13. Salt and Light Company, Inc. labor cost for all the above $750.00

14. Landscape front and rear yards. Estimated Cost for contractor job: $1,750

15. Install code compliant fire extinguisher in kitchen where missing. Estimated cost for materials: $50

Total- $20,130

Contingency 20% - 4,020

Grand Total- $24,150

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF THE AFFORDABLE HOUSING INSURANCE PILOT PROGRAM (AHIP) GUIDELINES

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 1st OF MAY 2025 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten (10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten (10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

.

Laura Shea
Assistant Secretary

Exhibit A

Affordable Housing Insurance Pilot Program (AHIP) **May 1, 2025**

REQUEST FOR ACTION BY MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

Action Requested:

1. Approval of program guidelines in substantially the form attached hereto, for the Affordable Housing Insurance Pilot Program ("AHIP"), utilizing up to $10 million of funds.

2. Authorization for the Executive Director, Chief of Multifamily Programs, and the Chief of Legal and Regulatory Affairs to approve any amendments to, correct errors in, or clarify the program guidelines, so long as such amendments do not result in a change in policy or implementation of the program guidelines as currently approved. Any amendments that would change the underlying policy or implementation of the Program Guidelines from the form in which it is presented at this meeting shall remain subject to Agency Board approval.

3. Authorization for the Executive Director, the Chief of Programs, the Chief Financial Officer, the Chief of Legal and Regulatory Affairs, in Consultation with the Attorney General's Office, to execute any and all documents necessary to effectuate the above actions.

Issues, Comments and Related Actions:

The New Jersey Legislature made available up to $10,000,000 for an affordable housing insurance pilot program to provide financial assistance to for-profit affordable housing entities to pay for insurance coverage premiums for eligible affordable housing projects (P.L. 2024, c.4). This program will provide financial assistance to partially reimburse the cost of insurance premiums for projects impacted by unexpected significant insurance premium increases not caused by\the negligence or neglect of the project's owner or management.

Key Points

- Applicant entity must meet the definition of "for-profit affordable housing entity" according to P.L. 2024, c.4, which means the organization must be a corporation, partnership, or other organization in receipt of an allocation from the federal Low-Income Housing Tax Credit Program.

- Applicant entity must not be in default or noncompliant on any projects financed by the Agency or within the Agency's oversight.

Exhibit A

- Projects must be multifamily rental housing with 100 percent of units deed-restricted to be “very low-income housing,” “low-income housing, or moderate-income housing,” as defined in section 5 of P.L. 1985,c.222 (C. 52:27D-304) and meet the criteria outlined in the attached guidelines.

- Insurance products must have premiums that increased by at least 50 percent, for the same insurance product, over a 24-month period within the five years preceding application for AHIP, comply with the Agency’s Insurance Specifications & Minimum Requirements for Multifamily Residential Properties; and be project specific.

- AHIP funding shall not exceed the increased amount or $250 per affordable unit per year, whichever is lower, and shall not exceed $1 million per project in total assistance. Assistance shall be available for the term of the NJMFA mortgage, until March 30, 2044, or until the $1 million maximum award amount is reached, whichever comes first.

- Applications will be submitted to Risk Management and shall include:
    - Non-refundable application fee of $1,000
    - Evidence of applicant eligibility
    - Evidence of project eligibility

- Projects deemed eligible to participate in AHIP will be presented to the Board for approval on a first come first served basis until either March 20,2026, or all funding is committed. If all funds have not been expended by March 20, 2044. The pilot program shall terminate as required by statute.

Attachment:

1. Affordable Housing Insurance Pilot Program (“AHIP”) Guidelines

Affordable Housing Insurance Pilot Program ("AHIP") Guidelines

I. Introduction

In response to increased costs in the multifamily housing insurance market, the Murphy Administration and the New Jersey Legislature have made available up to $10,000,000 for "an affordable housing insurance pilot program to provide financial assistance to for-profit affordable housing entities for insurance premiums for coverage for eligible affordable housing projects" (P.L. 2024, c.4). This document sets forth the program guidelines, selection criteria, and funding prioritization for projects applying to the Affordable Housing Insurance Pilot Program ("AHIP").

II. Program Purpose

The program will provide financial assistance to partially reimburse the cost of insurance premiums for projects impacted by unexpected significant insurance premium increases not caused by the negligence or neglect of the project's owner or management. AHIP does not provide an insurance product or assume any financial risk on the part of New Jersey Housing and Mortgage Finance Agency (NJHMFA/Agency). All responsibilities of the insured—deductibles, rate share changes, etc.—remain exclusively with the project. The final decision regarding selection of the insurance carriers and insurance coverages is the sole responsibility of the project.

III. Eligible Applicant Entities

An applicant entity must meet the definition of "for-profit affordable housing entity" according to P.L. 2024, c.4, which means that the organization must be a corporation, partnership, or other organization in receipt of an allocation from the federal Low-Income Housing Tax Credit Program. The applicant entity must not be in default or noncompliant on any projects financed by the Agency or within the Agency's oversight.

IV. Eligible Projects

Projects must be multifamily rental housing with 100 percent of units deed-restricted to be "very low-income housing," "low-income housing," or "moderate-income housing," as defined in section 5 of P.L. 1985, c.222 (C.52:27D-304), and meet one of the following criteria:

1. A newly constructed project that received tax-exempt financing from the Agency Revenue Bond Financing Program in conjunction with 4 percent Low-Income Housing Tax Credits. For the purposes of this program, "newly constructed project" shall mean a project that received a certificate of occupancy ("CO") or temporary certificate of occupancy ("TCO") within the five years preceding application to AHIP and that can demonstrate that premiums have increased by at least 50 percent over a 24-month period for the same insurance product. Projects that have utilized the Agency's conduit bond financing program or any tax credit program administered by the New Jersey Economic Development Authority are not eligible for the AHIP program; or

2. An existing residential development currently in the Agency portfolio (i.e., monitored by the Division of Asset Management) in good standing, which shall mean that the project is not in violation of any of the terms of the regulatory agreement, and whose insurance premiums have increased by at least 50 percent over a 24-month period for the same insurance; or

3. An existing residential development in receipt of supplemental Agency financing from the Capital Improvement Assistance Program ("CIAP") for rehabilitation or disaster recovery.

V. Eligible Insurance Products

Insurance products must satisfy the following criteria:

1. Have premiums that increased by at least 50 percent, for the same insurance product, over a 24-month period within the five years preceding application to AHIP;

2. With the exception of projects eligible due to receipt of CIAP, comply with the Agency's Insurance Specifications & Minimum Requirements for Multifamily Residential Properties; and

3. Be project-specific (i.e., exclusive to the property, not associated with other locations).

VI. Maximum AHIP Award Per Project

AHIP funding shall not exceed the increase amount, as noted in Section V.1., or $250 per affordable unit per year, whichever is lower, and shall not exceed $1 million per project in total assistance. Assistance shall be available for the term of the NJHMFA mortgage, until March 30, 2044, or until the $1 million maximum award amount is reached, whichever comes first.

VII. Application and Award Process

Applicants shall submit a complete application to the Division of Risk Management/Special Programs Administration ("Risk Management" or "the Division").

A complete AHIP application shall include:

1. The non-refundable application fee of $1,000;

2. Evidence of applicant eligibility pursuant to Section III above;

3. Evidence of project eligibility pursuant to Section IV above;

4. Copies of the executed UNIAP submitted when the project applied for Agency financing, the Board-approved Request for Action from when the Agency committed financing to the project, and the closing statement and Form 10 from when Agency financing closed;

5. An outline detailing the marketing efforts undertaken by the property management company, owner, or insurance broker, including the carriers approached and results achieved, demonstrating that they are actively pursuing the best insurance product and rates for their property;

6. Copies of the resulting insurance policies for the eligible project, as well as the loss run/claim history for the 24-month period over which premiums increased;

7. To ensure that potential availability of AHIP funding did not affect negotiation of policy rates, proof that the current insurance policies were identified, quoted, and accepted prior to seeking AHIP funding;

8. ACORD 25 and ACORD 28 or copies of previous insurance policies for the eligible project, evidencing that:

    a. The insurance products remained the same during a 24-month period within the five years preceding application and to the present;

    b. Premiums increased by 50 percent or more during a 24-month period within the five years preceding application; and

    c. For non-CIAP projects, that the insurance products comply with the Agency's Insurance Specifications & Minimum Requirements for Multifamily Residential Properties;

9. Any supplemental information, documentation, or clarifications requested by Risk Management, if the Division deems the application to be incomplete.

Upon review and approval by Risk Management of the provided insurance proposal, projects with complete applications will be deemed eligible to participate in AHIP, subject to Board approval.

Projects deemed eligible to participate in AHIP will be presented to the Board for approval on a first-come, first-served basis until either March 20, 2026, or all funding is committed. If all funds have not been expended by March 20, 2044, the pilot program shall terminate as required by statute.

VIII. Program Administration

Risk Management shall determine project eligibility for AHIP in accordance with these guidelines, administer awarded funds, and disburse awarded funds in the form of reimbursements. AHIP recipients shall submit insurance premium invoices and proof of payment to NJHMFA prior to reimbursement being released from the dedicated escrow account.

The AHIP award shall be structured as a non-secured loan for the full award amount governed by an AHIP loan agreement. The loan shall be forgivable upon all awarded funds being distributed from the capitalized escrow account. The AHIP loan agreement shall stipulate that return of unused loaned amounts is required if the property is sold prior to participation being completed or if the project's participation is terminated by the Agency due to failure to comply with the program's reporting requirements.

For each AHIP recipient with NJHMFA financing, the Agency shall annually transfer the annual reimbursement amount to the project's insurance escrow amount until the award is fully distributed. The loan agreement shall terminate in the event the project is sold prior to the expenditure of the full award. For each AHIP recipient not previously in receipt of NJHMFA financing, the Agency shall set up and hold a dedicated account for annually distributing the annual reimbursement.

IX. Reporting Requirements and Compliance

Project receiving AHIP shall:

1. Maintain good standing with all NJHMFA regulatory and policy requirements and ensure that no event of default shall exist under the Agency loan documents (verified annually);
2. Maintain sufficient cash reserves for payments of deductibles when needed;
3. Submit to Risk Management, within 90 days of final insurance premium payment each year:
    - Insurance premium invoices;
    - Proof of payment of insurance premiums in full.

Failure to comply with the aforementioned standards or submit required documentation by the annual deadline shall result in delayed release of escrow funds and warnings of termination of participation, which shall include cure date deadlines. Non-compliance continuing past the cure deadlines shall result in cancellation of the AHIP award, termination of the escrow account, and repayment of the previously distributed funds.

If the project refinances with a source outside of NJHMFA financing, AHIP assistance to that project shall be terminated and the balance of the funds shall be reallocated through the Program.

Resolution No.

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A MOTION TO ADJOURN

WHEREAS, on May1, 2025 a meeting of the Members of the New Jersey Housing and Mortgage Finance Agency was held; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

The Meeting of The New Jersey Housing and Mortgage Finance Agency held March 20, 2025 was adjourned at am.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Kathleen Butler					
Aimee Manocchio Nason					
Robert Tighue					
Paulette Sibblies – Flagg					
Eric Kaufmann					
Dorothy Blakeslee					
Diane Johnson					

I, Laura Shea, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 1st day of May, 2025 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have here unto set my hand and impressed the seal of the Agency this 1st day of May 2025.

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Laura Shea
Assistant Secretary