

SECTION 236 RENT FORMULA FOR PROJECTS
WITH TAX ABATEMENT TERM LESS THAN MORTGAGE TERM

FORMAT ONLY
NOT TO BE REQUISITIONED

PROJECT NO. _____
MORTGAGE TERM _____ YEARS MARKET INTEREST RATE _____ %

BASIC RENTS

- | | |
|---|------------|
| 1. Total Cost Supportable by Market Comparison Rents
(With Full Tax Expense) (From Appendix 3 revised 5/75) | \$ _____ |
| 2. Cost Supportable by Maximum Basic Rents
(With Full Tax Expense) (from Appendix 30) | \$ _____ |
| 3. a. Total Cost Supportable by Market Comparison Rents or
by Maximum Basic Rents (With Full Tax Expense)
Lesser of Line 1 and Line 2 | \$ _____ |
| b. Mortgage Based on Cost Supportable (With Full Tax Expense)
(Line 3a x _____% (90% for LD; 100% for NE or Cooperative)) | \$ _____ * |
| 4. Mortgage Amounts Attributable to Tax Abatement | |
| a. Term _____ years; \$ _____ Annual Abatement x 90% = \$ _____
divided by _____% (P & I at 1% for term of abatement) | \$ _____ * |
| b. Term _____ years; \$ _____ Annual Abatement x 90% = \$ _____
divided by _____% (P & I at 1% for term of abatement) | \$ _____ * |
| c. Total Mortgage Amount Attributable to Tax Abatement
(Sum of Lines 4a and 4b) | \$ _____ |
| 5. a. Mortgage Based on Cost Supportable by Market Comparison Rents After
Considering Tax Abatement (Sum of Lines 3b and 4c) | \$ _____ |
| b. Replacement Cost of Project (from Line G-73, Form 2264) | \$ _____ |
| c. Value of Leased Fee (if any, from Line K-6, Form 2264) | \$ _____ |
| d. Replacement Cost of Project Less Value of Leased Fee
(Line 5b less Line 5c) | \$ _____ |
| e. Line 5d x _____% (90% for LD, 100% for NE or Cooperative) | \$ _____ * |
| f. Total Mortgage Amount (Least of amounts on Lines 5a, 5e and Form 2264A.) | \$ _____ * |
| 6. a. Mortgage Amount Attributable to Tax Abatement (From Line 4c) | \$ _____ |
| b. Mortgage Amount <u>Not</u> Attributable to Tax Abatement (Line 5f less Line 6a) | \$ _____ |
| 7. Mortgagors Annual Contribution to Debt Service: | |
| a. Annual Amount of Tax Abated \$ _____ X 90% (For all mortgagors) | \$ _____ |
| b. Line 6b x _____% (P & I at 1% for Term of the Project Mortgage) | \$ _____ |
| c. Total Contribution to Debt Service (Sum of Lines 7a and 7b) | \$ _____ * |

APPENDIX 20

- a. For LD Projects: Equity Dividend (Line 5f x 6% divided by 9)
- b. LP Project: Net Income Reserve (Line 7c x 6.383%)
- c. Cooperative Project: Enter zero
(Enter Line 8a, 8b, or 8c, as applicable)
9. Total Expense, Taxes (excluding the tax abated) and Reserves
10. Annual Ground Lease Payments, if any. (Where mortgage is on a leasehold estate, the Maximum Supportable Cost in Line 1 above must consider annual ground rent payments by entering them in Line 5 of Appendix 3, revised 5/75)
11. Effective Gross Basic Rent (Sum of Lines 7c, 8c, 9 and 10)
12. Annual Gross Basic Rent for Project (Line 11 divided by _____% occupancy.)
(For Cooperatives, Line 11 x 1.05)
13. Annual Commercial Income (\$ _____ per month for 12 months)(Commercial rents must be sufficient to pay their proportion of operating expense and debt service on cost at market debt service rates.) (From Section C, Form 2264.)
14. Annual Parking and Laundry Income (\$ _____ per month x 12 months)
(From Section C, Form 2264-)
15. Annual Basic Rent for Living Units (Line 12 minus Line 13 minus Line 14)
16. Monthly Basic Rent for Living Units (Line 15 divided by 12)

MARKET RENTS BY FORMULA

17. Subsidy Amounts Attributable to Tax Abatement:
- a. Mortgage Amount Line 4a \$ _____ x _____%
(Subsidy Rate for that term)
- b. Mortgage Amount Line 4b \$ _____ x _____%
(Subsidy Rate for that term)
- c. Total Subsidy Attributable to Tax Abatement (Line 17a plus Line 17b)
18. Subsidy Amount Not Attributable to Tax Abatement (Mortgage Amount in Line 6b x Subsidy Rate for full mortgage term _____%)
19. Total Annual Subsidy Amount (Line 17c plus Line 18)
20. Annual Basic Rent for Living Units (From Line 15)
21. Annual Market Rent by Formula for Living Units (Line 19 plus Line 20)
22. Annual Commercial Income and Parking and Laundry Income (Sum of Lines 13 and 14)
23. Annual Market Rent by Formula for Living Units, Commercial, Parking and Laundry (Line 21 plus Line 22)
24. Monthly Market Rents by Formula for Living Units (Line 21 divided by 12)
(Residential Monthly Market Rents by Formula are allocated to living units by using Appendix 31 and the result entered in Line E-6 of Form 2264.)

* Round to the next lower \$100 multiple.