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

FORMULA 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 MF or Cooperative)
      $__________________________

4. Mortgage Amounts Attributable to Tax Abatement
   a. Term ___________ years; $__________________________
      Annual Abatement = 90% x $__________________________
      divided by ____________________________ (P + 1 at 1% for term of abatement)
      $__________________________

   b. Term ___________ years; $__________________________
      Annual Abatement = 90% x $__________________________
      divided by ____________________________ (P + 1 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 MF 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 4a)
      $__________________________

   b. Mortgage Amount Not Attributable to Tax Abatement (Line 5f less Line 6a)
      $__________________________

7. Mortgagee Annual Contribution to Debt Service:
   a. Annual Amount of Tax Abated $__________________________ X 90% (For all mortgagors)
      $__________________________

   b. Line 6b x __% (P + 1 at 1% for term of the Project Mortgage)
      $__________________________

   c. Total Contribution to Debt Service (Sum of Lines 7a and 7b)
      $__________________________
APPENDIX 20

a. For LE Projects: Equity Dividend (Line 3f x 62 divided by 9)

b. Net Income Reserve (Line 7e x 6,353.36)
c. Cooperative Project: Enter zero (enter line 8e, 8o, or 8c, as applicable)

d. Total Expense, Taxes (excluding the tax abated) and Reserves

e. 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 3/75)

f. Effective Gross Basic Rent (Sum of Lines 7e, 8c, 9 and 10)

g. Annual Gross Basic Rent for Project (Line 11 divided by ________ occupancy, )

h. Annual Commercial Income ($________ per month x 12 months) (Commercial rents must be sufficient to pay their proportion of operating expenses and debt service on cost at market debt service rates.) (From Section C, Form 286.)

i. Annual Parking and Laundry Income ($________ per month x 12 months) (From Section C, Form 286.)

j. Annual Basic Rent for Living Units (Line 12 minus Line 13 minus Line 14)

k. Monthly Basic Rent for Living Units (Line 13 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)

18. Total Subsidy Attributable to Tax Abatement (Line 17a plus Line 17b)

19. Annual Basic Rent for Living Units (From Line 15)

20. Annual Market Rent for Living Units (Line 19 plus Line 20)

21. Annual Commercial Income and Parking and Laundry Income (Sum of Lines 13 and 14)

22. 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 A and the result entered in Line 5 of Form 286.)

--- Round to the next lower $1.00 multiple. ---

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