

| OMHAR Review/Approval of Full Transaction | | |
|----------------------------------------------------------|-----------------------------------|------------------------------------------|
| Property Name, City, ST | | |
| OMHAR Production Office | | |
| OMHAR Relationship Manager | | |
| PAE and Underwriter | | |
| Contact | | |
| | | |
| Date Underwriting Model Initially Reviewed | | |
| Primary Reviewer Signature & Date | | |
| Secondary Reviewer Signature & Date (if app.) | | |
| Fixes Required? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Fixes Cleared | Date | Initials |
| Model Revision Name and Date | | |
| Accepted By | | |
| | | |
| Status | <input type="checkbox"/> Approved | <input type="checkbox"/> Approved for LC |
| Portfolio Dir. Signature and Date | | |
| Conditions (if any) | | |
| | | |
| ROLC Date, if Required | | |
| Conditions (if any) | | |
| Model Revision Name and Date | | |
| Accepted By | | |
| | | |
| HQLC Date, if Required | | |
| Conditions (if any) | | |
| Model Revision Name and Date | | |
| Accepted By | | |
| | | |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| Conditions Required BEFORE RC (if any) | |
| Date Conditions Were Cleared | |
| Accepted By | |
| ISSUES IN THIS SECTION MUST BE ADDRESSED <u>IN</u> THE RC | |
| Out Year Section 8? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If Out Year, How Are Funds Applied? | |
| IRP/236 Transaction? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| If IRP, How Are Funds Applied? | |
| If Junior Debt, Describe Plan | |
| If Pre-M2M Use Agreements, Describe Plan | |
| Does Partnership Term Exceed Financing? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Management Fee Change? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Other Conditions? | |
| Accepted By/Date | |
| LEVEL OF AUTHORITY REQUIRED | |
| Portfolio Director | |
| <input type="checkbox"/> Existing UPB Less Than \$5 Million | |
| Production Office Committee | |
| <input type="checkbox"/> Proposed Rehab is over \$5k/unit <input type="checkbox"/> New 1 st Exceeds 40% of the UPB <input type="checkbox"/> Existing UPB Between \$5 and \$10 Million | |
| Headquarters Loan Committee | |

Exception Rents Exceed 120% of FMR

New 1st Exceeds Current UPB

Loss Greater than (\$250k)

Loss Greater than (\$4k/unit) & \$100k Total

Claim or Write-Down Exceeds \$5 Million

Existing UPB Exceeds \$10 Million

Additional Funds Transaction

| SPECIAL DEAL CONSIDERATIONS | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Any of these conditions will require an additional review section to be completed and attached, and may require review of this deal by OMHAR HQ personnel</p> | <ul style="list-style-type: none"> <input type="checkbox"/> 236/IRP <input type="checkbox"/> Original Loan is BMIR <input type="checkbox"/> Co-Op under 235, 213, 207 <input type="checkbox"/> Original HAP contract is Mod Rehab <input type="checkbox"/> Flex Subsidy Subordinate Debt <input type="checkbox"/> Out-Year Section 8 Contract <input type="checkbox"/> Partially Assisted Project <input type="checkbox"/> Additional Funds Transaction |

SUMMARY OF PROPOSED RESTRUCTURING PLAN

Recommendation: (Approval or AOTC – if AOTC, indicate specific basis; indicate why any loss is high):

Checks completed:

If 236, date reviewed by JoAnne Garrison:

If Additional Funds, date(s) reviewed by FA and/or Dennis Manning:

If Mod Rehab, date reviewed by Mark Abraham:

If Bonds, give status and note any lockout, refunding, prepayment issues:

If payables, date of HUD approval:

Discuss (do not duplicate):

1. **Property (#of buildings, construction type, occupancy type, curb appeal):**
2. **Location (general surrounding uses, desirability, prospects):**
3. **Market (population of town/county; demographic and economic trends; vacancy and trends - explain especially any declines if restructure is recommended; if market vacancy is above 5%, specific discussion of how M2M vacancy was underwritten):**
4. **Preservation Worthiness/RAAP (provide information on experience of voucher recipients, significant pros and cons for tenant-based or project-based; OR indicate appropriately safe-harbored [elderly or US census vacancy]. If exception rents, discuss RAAP factors even if safe-harbored):**
5. **HUD/Owner/Tenant Positions: (discuss HUD support; owner cooperation, opinion of plan or other intentions; tenant input)**
6. **Income (quality of the PAE appraisal and rent determination; age of appraisal or update acceptable, general size of rent reduction/increase, adequacy of comps, affordable rents below market rents, market improvements; need for exception rents – give percentage of FMR and of market, [is full claim paid? has utility allowance been verified?]; discussion of any significant non-residential income):**

7. **Vacancy (quality of PAE review, brief comparison of pro forma to historic trends in property and current occupancy, as well as market trends and comps; separate justification of bad debt used; discussion of any non-residential vacancy underwritten):**
8. **Expenses (quality of PAE review of historical expenses and support for pro forma expenses, all appropriate third party information obtained, any significant increases or decreases justified, management fee justified within identified HUD range, any tenant issues addressed):**
9. **PCA and Reserves (quality of PAE review and any adjustments; critical repairs completed, general condition, general description of rehab items, no rehab items in reserves, all tenant issues addressed, reserve spreads acceptable, IDRR reasonable, end balance reasonable; REAC score, ES&H items addressed):**
10. **Environmental (all needed studies completed; any Form 4.8 required? Completed by owner?):**
11. **Special Deal Features or Issues (discuss non-baseline Additional Funds issues including source of funds, timing, subsidy layering; use of IRP; use of recapture; local funds contributed; use of residual receipts; owner share of transaction costs waived for non-profit owner without resources, etc.):**
12. **First Mortgage (indicate adequacy of PAE recommendation and any changes made/required by PO; loan type/rate/term/points anticipated; DSCR; basis of amortization if not 30 years; how payables addressed and if certification obtained)**
13. **2nd Mortgage (vacancy rate used, explain interest rate chosen, explain how repayable and terminal value determined; year 1 return to owner per unit per month excluding CRP; split chosen; justify acceptability of expense cushion; note whether all input (trend) assumptions used are acceptable and income trend no greater than expense trend)**
14. **Owner (any flags, HUD opinion and history, cooperation; justify any recommended TPA and discuss whether QNP, and any related fees, incentives)**
15. **Manager (tenant comments addressed, HUD opinion and history, scores, address any apparent concerns raised elsewhere such as lots of deferred maintenance; justify any recommended changes)**

TRANSACTION REVIEW

REVIEWERS: Identify minor deficiencies, fixes, and all quality guidance needed. Avoid duplication of items discussed in the preceding narrative. Use a different font to address PAE responses to/corrections of initial findings.

| <i>1. PAE's Conclusion on Ownership and Management</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <i>1a</i> | Ownership established; acceptable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>1b</i> | SS# or Tax ID# red flag check (2530 system) completed; results adequate or issues addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>1c</i> | Management adequacy/inadequacy supported and addressed if needed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>1d</i> | Any apparently conflicting information addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>1e</i> | TPA applicable and supported | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>1f</i> | Tenant comments supportive or addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>1g</i> | Any observable issues on management capacity (such as deferred maintenance, slow turn over, down units, etc.) are addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>2. Physical Condition Assessment</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|-----------------------------------------|----------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <i>2a</i> | Inspector included any market improvements or tenant issues, if applicable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>2b</i> | Rehab escrow work items adequately identified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>2c</i> | Reserve items (number/cost) reasonable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>2d</i> | Narrative and charts match | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>2e</i> | No required repairs are deferred to reserves | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>2f</i> | Spreads reasonable; no inappropriate straight lining | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>2g</i> | Required second replacements present | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>2h</i> | Inflation rate for needs is reasonable; interest on account is reasonable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>3. PAE's Conclusion on Physical Condition and Reserves</i> | | <i>Minor</i> | | | |
|---------------------------------------------------------------|------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | <i>OK</i> | <i>Def.</i> | <i>Fix</i> | <i>N/A</i> |
| <i>3a</i> | PAE's conclusion on physical condition is supported | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3b</i> | REAC score noted/addressed if appropriate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3c</i> | Any Tenant issues addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3d</i> | PAE indicates any critical repairs have been addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3e</i> | Rehab Escrow appropriate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3f</i> | Conclusions on annual deposit and IDRR are appropriate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3g</i> | PAE adjustments appropriate and briefly justified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3h</i> | Reserves adjusted by OCAF or appropriate long-term trend factor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3i</i> | Items included as significant additions are appropriate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3j</i> | Reserves seem adequate at end of 20 years; not excessive | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3k</i> | Optional items justified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3l</i> | All needed studies are done; cost of required items is identified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3m</i> | Any exigent health and safety items from REAC inspection are completed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>3n</i> | Owner has accepted the (adjusted) PCA | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>4. Environmental Issues</i> | | <i>Minor</i> | | | |
|--------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | <i>OK</i> | <i>Def.</i> | <i>Fix</i> | <i>N/A</i> |
| <i>4a</i> | Form 4.4 adequate for OMHAR to complete 4128 | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>4b</i> | If property was built prior to 1978, has Lead Based Paint Risk Assessment been performed? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>4c</i> | Have all costs to address environmental issues been appropriately incorporated into Rehab and/or R4R? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>5. Appraisal</i> | | <i>Minor</i> | | | |
|---------------------|----------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | <i>OK</i> | <i>Def.</i> | <i>Fix</i> | <i>N/A</i> |
| <i>5a</i> | Appraisal adequate in general | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>5b</i> | Adjustments are consistent and justified as needed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>5c</i> | Comps used are appropriate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>5d</i> | Final rent conclusion is explained | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>5e</i> | Addressed any owner material appropriately | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>5f</i> | Rents reflect market comparable improvements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>6. PAE's conclusion on rents and comparables</i> | | <i>Minor</i> | | | |
|-----------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | <i>OK</i> | <i>Def.</i> | <i>Fix</i> | <i>N/A</i> |
| <i>6a</i> | PAE carefully reviewed appraisal; PAE or appraiser corrected errors or impact of deficiencies | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>6b</i> | PAE reviewed any owner material | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>6c</i> | Any market comparable improvements are justified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>6d</i> | Evidence of PAE visit to subject and comps | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>6e</i> | PAE used adequate comps | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>6f</i> | PAE rent conclusion reasonable and supported | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>6g</i> | Affordable rents determination OK | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>6h</i> | OMHAR reviewer comparison to rents on other M2M transactions in area | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>7. PAE's Conclusion on Residential Vacancy and Collection Loss</i> | | <i>Minor</i> | | | |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | <i>OK</i> | <i>Def.</i> | <i>Fix</i> | <i>N/A</i> |
| <i>7a</i> | Current market vacancy and trend information provided | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>7b</i> | Property current vacancy and trend information provided | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>7c</i> | Rates used in underwriting are specifically justified in relation to the above two factors | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>7d</i> | Any short term vacancy issues (down units or rehab) are identified and addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>7e</i> | Physical vacancy factor for 1st mortgage is reasonable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>7f</i> | Bad debt/collection loss factor for 1 st is reasonable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| <i>7. PAE's Conclusion on Residential Vacancy and Collection Loss</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 7g | If different vacancy/loss factors used to size 2 nd or exception rents, factors selected are appropriate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>8. PAE's Conclusion on Other and Commercial Income</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|-----------------------------------------------------------|--------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 8a | Other income is adequately justified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8b | Commercial leases have been obtained and analyzed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8c | Commercial income is adequately justified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8d | Commercial vacancy and bad debt factors meet minimums and are reasonable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>9. PAE's Conclusion on Expenses</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|----------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| 9a | Most recent Audited Financial Statements are included and have been appropriately filed with HUD | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9b | Historic expenses analyzed and any significant variances are explained | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9c | Any adjustments to reflect capital items are explained | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9d | Appropriate trend applied for typical historical trended | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9e | Appraiser's expenses considered | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9f | Other data, if available and appropriate, considered | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9g | Management Fee OK on pupa basis and within identified HUD range | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9h | If Mgt Fee is changing, condition has been added to RC | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9i | Taxing authorities contacted both for changes since last AFS and going forward | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9j | Any tax abatements have been analyzed and addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9k | Utilities contacted both for changes since last AFS and going forward | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9l | Insurance agent contacted both for changes since last AFS and going forward | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| <i>9. PAE's Conclusion on Expenses</i> | | <i>Minor</i> | | | |
|----------------------------------------|-------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | <i>OK</i> | <i>Def.</i> | <i>Fix</i> | <i>N/A</i> |
| <i>9m</i> | Project-based expenses reasonable and supported | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>9n</i> | Tenant-based expenses reasonable and supported | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>9o</i> | Expense Cushion is adequate and well justified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>9p</i> | OMHAR reviewer comparison to expenses of other M2M properties in jurisdiction | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>10. Tenant Information/Concerns</i> | | <i>Minor</i> | | | |
|----------------------------------------|----------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | <i>OK</i> | <i>Def.</i> | <i>Fix</i> | <i>N/A</i> |
| <i>10a</i> | Evidence of appropriate notifications | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>10b</i> | First tenant meeting held; timely | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>10c</i> | Consideration of tenant comments apparent in PAE's conclusions | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>10d</i> | Second tenant meeting held; timely | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>10e</i> | Overall PAE deals adequately with tenant issues | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>11. RAAP</i> | | <i>Minor</i> | | | |
|-----------------|-----------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | <i>OK</i> | <i>Def.</i> | <i>Fix</i> | <i>N/A</i> |
| <i>11a</i> | If Safe-Harbored, deal is predominantly occupied by elderly or US Census vacancy figures used | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>11b</i> | PAE briefly addressed each RAAP issue | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>11c</i> | Ease of finding adequate housing by Voucher-holders is addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>11d</i> | RAAP conclusion vs. Stakeholder preference is addressed | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns (Include primary factors for RAAP conclusion):

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>12. PAE's conclusion on Exception Rents (complete only if Exception Rents used)</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|----------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <i>12a</i> | Use of exception rents appropriate; well supported | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>12b</i> | PAE obtained any required waivers (other than HQLC) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>13. PAE's Conclusion on First Mortgage</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|-----------------------------------------------|------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <i>13a</i> | Appropriate NOI used | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>13b</i> | If no first mortgage, conclusion justified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>13c</i> | Meets LTV limitation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>13d</i> | Appropriate financing vehicle selected | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>13e</i> | Financing terms are competitive | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>13f</i> | If applicable, MIP included | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>13g</i> | DSCR is reasonable and justified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>13h</i> | Estimate of transaction costs is reasonable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>13i</i> | Payables are addressed and any HUD approval obtained | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If PAE is financing, review areas of potential conflict in loan terms and process and comment:

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>14. PAE's conclusions on Second and Third Mortgages</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <i>14a</i> | Determination of cash flow split is appropriate and justified given owner return | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>14b</i> | Terminal value justified; cap rate justified if applicable; if exception rent case, approach used is acceptable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>14c</i> | Interest rate is maximized and checked against AFR | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| <i>14. PAE's conclusions on Second and Third Mortgages</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <i>14d</i> | Second Mortgage is repayable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>14e</i> | Trending rates used are reasonable; income trend is equal to or less than expense trend | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>14f</i> | Amount of Third Mortgage reasonable and supported | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>14g</i> | Interest rate/amortization of 3 rd same as second | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If second and/or third is less than maximum, discuss:

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>15. Capital Recovery Payment and Incentive Performance Fee</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <i>15a</i> | CRP: Owner contribution is repaid over 7-10 years at appropriate interest rate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>15b</i> | IPF: Full amount is paid in Year 1 and appropriately addressed in model throughout term | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>15c</i> | IPF: Year 1 IPF is 3% of EGI, within floor of \$100/unit and ceiling of \$200/unit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>16. Recommendation for Ineligibility or Discontinuance (complete only if applicable)</i> | | <i>OK</i> | <i>Minor Def.</i> | <i>Fix</i> | <i>N/A</i> |
|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <i>16a</i> | Determination of Ineligibility or recommendation for Discontinuance is adequately supported | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>16b</i> | Restructuring Plan has been developed to the extent possible and remedies (if any) have been identified | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>16c</i> | Local HUD Hub/Program Center has been consulted regarding Ineligibility or Discontinuance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

| <i>17. PAE's Overall Conclusion</i> | | <i>Minor</i> | | | |
|-------------------------------------|---------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | | <i>OK</i> | <i>Def.</i> | <i>Fix</i> | <i>N/A</i> |
| <i>17</i> | Restructuring Plan is adequately balanced (cost vs. benefits) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>a</i> | | | | | |
| <i>17</i> | Return to owner is adequate to retain owner interest | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <i>b</i> | | | | | |
| <i>17c</i> | Owner contribution is reasonable | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Concerns:

If any issues are marked "Fix", discuss here:

Comments on Changes/Revisions after initial Review:

Additional comments not addressed elsewhere:

Considerations for future transactions :

**PAE should submit any required revisions to:
(OMHAR reviewer must indicate Underwriter
or Relationship Manager)**