Calculation of Information to be Returned to Owner

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

– 03215 –

Project Name:	Project Number:

I.   Extension Preservation Value*

A   Owner's Appraisal $ _____

B   HUD's Appraisal $ _____

C   B x 1 10 $ _____

D   Is A greater than or equal to C ?
  1 ☐ No   Answer is A $ _____ Go to **II.**
  2 ☐ Yes   Did owner accept C ?
    a ☐ Yes   Answer is C $ _____ Go to **II.**
    b ☐ No   Value is in third appraisal (E)

E.   Third Appraisal (if completed) $ _____
  (This value must be used if shown)
  (Go to **II.**)

II.   Transfer Preservation Value*

A   Owner's Appraisal $ _____

B   HUD's Appraisal $ _____

C   B x 1 10 $ _____

D   Is A greater than or equal to C.?
  1 ☐ No   Answer is A $ _____ Go to **III.**
  2 ☐ Yes   Did owner accept C ?
    a ☐ Yes   Answer is C $ _____ Go to **III.**
    b ☐ No   Value is in third appraisal (E)

E   Third Appraisal (if completed) $ _____
  (This value must be used if shown)
  Go to **III.**

III.   Extension Preservation Equity

A   Extension Preservation Value
  (I. D or E) $ _____

B   Unpaid Balance of all Debt
  secured by the property $ _____

C   Extension Preservation Equity
  (A minus B) $ _____

IV.   Transfer Preservation Equity

A   Transfer Preservation Value
  (II. D or E) $ _____

B   Unpaid Balance of all Federally-
  Assisted Mortages $ _____

C   Transfer Preservation Equity
  (A minus B) $ _____

V.   Annual Authorized Return to Owner

Annual Authorized Return equals Extension Preservation Equity

(III C) x 0 08 = $ _____

VI.   Federal Cost Limit*

FMR's

1 Bedroom Size	2 Number of Units	3 FMR	4 Total Rent (2 x 3)
Efficiency			
1 Bedroom			
2 Bedrooms			
3 Bedrooms			
4 Bedrooms			
Other (specify)			
Total			5 $

PMR's (This includes tenant-paid utility costs.)

1 Bedroom Size	2 Number of Units	3 PMR	4 Total Rent (2 x 3)
Efficiency			
1 Bedroom			
2 Bedrooms			
3 Bedrooms			
4 Bedrooms			
Other (specify)			
Total			5 $

(1)   Which category (FMR or PMR) has the larger total in 5? _____

(2)   What is the total calculated for the category shown in (1)?

    $ _____

Federal Cost Limit = (2) x 1 20 x 12 = $ _____

To be completed by the Valuation Branch and returned to the Loan Management Branch. This form will be appended to HUD's Letter to the Owner Transmitting Information to Extend Affordability Restrictions

VII.   Extension Preservation Rent (Attach additional sheets if needed)

A   (1) Annual Debt Service (at subsidized
interest rates) on Federally-
Assisted Mortgage(s) $_____

(2) Debt Service and Debt Service
Coverage A(1) x 1 052632
(rounded to six decimal places) $_____

B   (1)(a) Total Rehab Cost in
accordance with ¶ 5-12 E1b
of the Handbook $_____

(1)(b) Rehab Loan B (1)(a) x 0.90
(rounded to next lower
hundred dollars) $_____

(2) Anticipated interest rate
plus MIP for rehab loan
assuming market rate interest   _____ %

(3) Calculate anticipated annual
payments on rehab loan with
20 year amortization period
(rounded to six decimal places) $_____

(4) Debt Service and Debt Service
Coverage B (3) x 1 111111
(rounded to six decimal places) $_____

C   Total Debt Service and
Debt Service Coverage
A (2) plus B (4) $_____

D   Annual Authorized Return
(from V) $_____

E. (1) Annual Operating Expenses
in accordance with ¶ 5-12
E 1d of the Handbook $_____

(2) Utility Allowances
in accordance with ¶ 5-12
E 1e of the Handbook $_____

(3) Annual Reserve for Replacement
in accordance with ¶ 5-12
E 1f of the Handbook $_____

F   **Total**
C + D + E (1)+E (2)+E(3) $_____

G. Vacancy Allowance (F x 0 03) $_____

H   Project Extension Preservation Rent
(F plus G) $_____

I   (1) Annual Net Income attributable
to commercial space $_____

(2) Extension Preservation Rent
(H minus I) $_____

IX.   Comparison of Preservation Rents and Federal Cost Limits

A   Extension Preservation Rent (VII I (2)) $_____

B   Transfer Preservation Rent (VIII I (2)) $_____

C   Federal Cost Limit (VI C) $_____

D   Is A greater than C ?

☐ No   EPR less than or equal to FCL   Owner can submit POA to extend
affordability by requesting incentives

☐ Yes EPR greater than FCL Owner can submit POA to extend affordability
and request incentives which will result in aggregate rents not exceeding
the Federal Cost Limit

E   Is B greater than C ?

☐ No   TPR less than or equal to FCL   Owner can submit POA for voluntary
sale

☐ Yes TPR greater than FCL Owner can

(1) submit POA to extend affordability and request incentives which will result
in aggregate rents not exceeding the Federal Cost Limit

(2) submit POA for mandatory sale and possible termination of affordability

(3) request a voluntary sale at a selling price which will result in aggregate
rents not exceeding the Federal Cost Limit. Go to X.

VIII.   Transfer Preservation Rent

A.   Annual Debt Service (at subsidized
interest rates) on Federally-Assisted
Mortgage(s) $_____

B.   Total 241(f) Loan.
(1) Total Rehabilitation costs in
accordance with ¶ 5-12 E2b
of the Handbook $_____

(2) Acquisition
Transfer Preservation Equity (from IV C)

$_____ x 0 95 $_____

(3) Total
(1) plus (2)(rounded to next lower
hundred dollars) $_____

C   Total Debt Service on 241(f) Loan
(1) Anticipated interest rate plus MIP
for acquisition loan assuming
market rate interest   _____ %

(2) Calculate anticipated annual
payments on loan with 40 year
amortization period
(rounded to six decimal places) $_____

D   (1) Total Debt Service
(A plus C (2)) $_____

(2) Debt Service and
Debt Service Coverage
D (1) x 1 052632
(rounded to six decimal places) $_____

E   (1) Annual Operating Expenses
in accordance with ¶ 5-12 E 2d
of the Handbook $_____

(2) Utility Allowances
in accordance with ¶ 5-12 E 2e
of the Handbook $_____

(3) Annual Reserve for Replacement
Contributions in accordance with
¶ 5-12 E 2f of the Handbook $_____

F.   **Total**

D (2) + E (1) + E (2) + E (3) $_____

G.   Vacancy Allowance (F x 0 03) $_____

H.   Project Transfer Preservation Rent
(F plus G.) $_____

I   (1) Annual Net Income attributable
to commercial space $_____

(2) Transfer Preservation Rent
(H. minus I) $_____

X. Maximun Sales Price: To be completed only if TPR > FCL

A   Required reduction in debt service on
acquisition loan, IX B minus IX C $_____

B   At rates shown in VIII C(2), amortized
for 40 years, acquisition loan which
can be supported by X A $_____

C   Maximum Acquisition Loan
VIII C(1) minus B $_____

D   C x 1 052632 $_____

E   D plus IV B $_____

Prepared by | Date