REDEFINED EQUITY I

Available to owners with Agency-bond or Pool II (LMIR) funded developments that have Section 8 or Section 236 subsidy. All bond-funded mortgages are included in outstanding mortgage principal balances.

PROGRAM REQUIREMENTS

a- Developments have reserves equal to or **greater than the greater of** $**5,000 per unit or 20%** of the mortgage balance at the end of the mortgagor's fiscal year (**both family and elderly developments**).
b- All needed maintenance performed or scheduled to be performed.
c- Proposed capital expenditures for the next twelve months cannot reduce reserve accounts below the greater of $5,000 per unit or 20% of the mortgage balance.
d- Operating expenses are paid in full.
e- One month's operating expenses (including P&I, FAF, and/or MHFA Fee) in operating account.
f- Have sustained average **occupancy** by rent paying tenants of **95%** or more for the prior 24 months.
g- The mortgage has not been delinquent during the prior 24 months.
h- The owner agrees to limit future rent increases to the amount needed to pay for increases in annual operating expenses.

AND

i- Have a current active **waiting list** equal to **1.5 times** average annual turnover for prior 24 months.

OR (all met but i)

j- Have reserves equal to or exceeding the sum that is the **greater of $5,000 per unit or 30%** of the mortgage balance **(both family and elderly developments)**

OR (if all met but f) – *New addition in 2004*

k- Have reserves equal to or exceeding the sum that is the **greater of $5,000 per unit or 40%** of the mortgage balance (both elderly and family developments).

OR (if all met but f and i) - *New addition in 2004*

l- Have reserves equal to or exceeding the sum that is the **greater of $5,000 per unit or 40%** of the mortgage balance (both elderly and family developments).

In addition to the above, owner agrees to maintain the project as **Section 8 or 236** for a minimum of 20 years from the effective date of the HAP Contract of Agreement of IRP and the minimum of 20-term term has not yet expired and in excess of 5 years prior to its expiry date and execute any documents that the agency deems necessary and appropriate to effectuate the intent of this program.

Cumulative distributions are not permitted.

REDEFINED EQUITY II

Available to owners with Agency-bond or Pool II (LMIR) funded developments that have Section 8 or Section 236 subsidy. All bond-funded mortgages are included in outstanding mortgage principal balances.

PROGRAM REQUIREMENTS

a- Developments have reserves equal to or greater than **$3,000** per unit for elderly developments and **$5,000** per unit for family developments at the end of the mortgagor's fiscal year.
b- All needed maintenance performed or scheduled to be performed.
c- Proposed capital expenditures for the next twelve months cannot reduce reserve accounts below $3,000 per unit for elderly developments and $5,000 per unit for family developments.
d- Operating expenses are paid in full.
e- One month's operating expenses (including P&I, FAF, and/or MHFA Fee) in operating account.
f- The mortgage has not been delinquent during the prior 24 months.
g- The owner agrees to limit future rent increases to the amount needed to pay for increases in annual operating expenses.
h- Have a current waiting list equal to **1.5 times** average annual turnover for prior 24 months
i- Have sustained average occupancy by rent paying tenants of **95%** or more for the past 24 months.

OR (if all met but h)

j- Have reserves equal to or exceeding the sum that is the **greater of $5,000 per unit or 30%** of the mortgage balance (**both elderly and family developments**).

OR (if all met but i)

k- Have reserves equal to or exceeding the sum that is the **greater of $5,000 per unit or 40%** of the mortgage balance (both elderly and family developments).

OR (if all met but h and i)

l- Have reserves equal to or exceeding the sum that is the **greater of $5,000 per unit or 40%** of the mortgage balance (both elderly and family developments).

Approved by:

(*Redefined Equity II continue*)

In exchange for the REII partnership distribution, owners agree to maintain the development the following ways:

1- For **Section 8,** to the date which is the later of (a) 10 years from the date of execution of legal documents, or (b) the date of the end of the 5-year optional renewal term of the HAP Contract existent at the date of expiration of the 10-year term identified in (a).

2- For **Section 236**, until the date which is 10-year after the date of execution of legal documents

For both Sections 8 and 236, owners agree **not to prepay** their mortgages with the Agency for 10 years from the date of execution of legal documents and execute any documents that the agency deems necessary and appropriate to effectuate the intent of this program.

Cumulative distributions are permitted.

REDEFINED EQUITY III

Available to owners with Agency-bond or Pool II (LMIR) funded developments that have no federal subsidies i.e. Agency-funded market rate properties without Sections 8 or 236 Contract. All bond-funded mortgages are included in outstanding mortgage principal balances.

PROGRAM REQUIREMENTS

a. Developments have reserves equal to or greater than **$3000** per unit for elderly developments and **$5,000** per unit for family developments at the end of the mortgagor's fiscal year.
b. All needed maintenance performed or scheduled to be performed.
c. Proposed capital expenditures for the next twelve months cannot reduce reserve accounts below $3000 per unit for elderly developments and $5,000 per unit for family developments.
d. Operating expenses are paid in full.
e. One month's operating expenses (including P&I, FAF, and/or MHFA Fee) in operating account.
f. The mortgage has not been delinquent during the prior 24 months.
g. The owner agrees to limit future rent increases to the amount needed to pay for increases in annual operating expenses.
h. Owner agrees not to prepay their mortgages with the Agency for 10 years from the date of execution of legal documents.
i. Have sustained average occupancy by rent paying tenants of **95%** or more for the past 24 months.

OR (if all met but i)

j. Have reserves equal to or exceeding the sum that is the **greater of 40%** of the mortgage balance **or $5,000** per unit **(both elderly and family units**).

No waiting list is required to be maintained under this program**.**

Cumulative distributions are permitted.