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## **Gomberg Financial Services arranged \$2.915 million financing using Fannie-Mae's Small Loan Program**

April 12, 2012 - Financial Digest

Gomberg Financial Services has arranged financing using Fannie-Mae's Small Loan Program for the purchase of a 53 unit apartment complex located at 69 Lynnway. Purchase price was \$2.915 million and they were able to obtain a \$2.4 million loan for their client, which equals 82.3% LTV. The interest rate is fixed for ten years at 4.4% on a 30 year amortization and is non-recourse to the borrower, Perkins Realty Management LLC.

Gomberg was also able to get a waiver from Fannie-Mae so that the borrower could carve out a piece of land on top of the hill behind the property that the buyer anticipates building on in the future. The total legal fee to accomplish this from Fannie-Mae was only \$9,500. Adding to the complexity of this deal, Gomberg had to get a variance to get the proper number of units legalized. They also had to upgrade the smoke and sprinkler certificates for the Fire Dept.

Fannie-Mae is becoming more aggressive and is now allowing the buyer to roll the closing costs into the loan, capped at three percent of the purchase price. In addition you can also roll some money in for deferred maintenance, potentially getting up to 85% LTV for a strong borrower. This product is available nationwide for loan sizes from \$1M to \$3M. The Lender's fees were very reasonable: \$4,500 for legal, appraisal, environmental, engineering and underwriting.

This was the 16th transaction we have completed for the borrower, Perkins Realty Management LLC of Lynn MA. Perkins Realty Management LLC is one of the area's largest owner/operators with over 375 residential units currently under ownership.

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