



nerej

Rockport Mortgage Corporation provides \$8.24 million for refinance of 93-unit apartment building

April 11, 2013 - Financial Digest

According to Joseph Mueller of Rockport Mortgage Corporation (RMC), the company recently provided an \$8.24 million loan under the HUD 223(f) Tax Credit Pilot Program to refinance Cathedral Square II Apartments. This was the first project closed in New England under HUD's new Tax Credit Pilot Program.

Cathedral Square II Apartments consists of one five-story steel/masonry building that is comprised of 82 one-bedroom and 11 two-bedroom rental units that provide affordable housing for elderly and disabled people.

Constructed in 1976, the property also contains 5,700 s/f of commercial space. The property is well located and the subject neighborhood offers close proximity to the cultural, educational, commercial, recreational, and municipal facilities in downtown.

The refinancing of Cathedral Square II Apartments included \$15,644 in repairs for each rental unit. All of the rental units are covered by a project based Section 8 HAP contract. The financing structure combined short-term cash collateralized tax exempt bonds, that facilitated the acquisition of 4% low income tax credits, and taxable long term GNMA backed mortgage, which allowed the borrower and project to take advantage of the advantageous lower long term interest rates available in today's taxable GNMA market, compared to higher rates in the long term tax -exempt debt market. Because of this, the negative arbitrage on the tax exempt bond side was also considerably lower than would otherwise have been the case. The upgrades and improvements will result in the preservation of a valuable affordable housing resource within the city.

Rockport Mortgage Corporation has ranked in the top 25 among all affordable housing lenders of all types, and in the top 10 of all HUD lenders nationwide during the last three years. Since 2010, we have refinanced 70 multifamily communities under the HUD 223(f) program, totaling almost a billion dollars in funding.

Founded in 1992, Rockport Mortgage Corporation continues to provide a full range of HUD mortgage financing services to owners and developers of multifamily communities and healthcare facilities throughout the United States.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540