

Description	Calc	Rating	Notes	Criteria +/-	
DCR		A			
Risk Rating	A	B	C	D	F
DCR	<input checked="" type="checkbox"/> DCR is at or above 1.20x or as underwritten <input type="checkbox"/> NOI > \$2,500 (Capital Advance Grants)	<input type="checkbox"/> DCR is between 1.10x and 1.20x <input type="checkbox"/> NOI < \$2,500 and > (\$1,000) (Capital Advance Grants)	<input type="checkbox"/> DCR is below 1.10x but greater than 1.00x <input type="checkbox"/> NOI < (\$1,000) and > (\$5,000) (Capital Advance Grants) <input type="checkbox"/> Loan is current on must pay debt	<input type="checkbox"/> DCR is less than 1.00x <input type="checkbox"/> NOI < (\$5,000) (Capital Advance Grants)	<input type="checkbox"/> Loan is in default on must pay debt <input type="checkbox"/> Notice of Default issued
Economic Occupancy		A			
Risk Rating	A	B	C	D	F
Economic Occupancy	<input checked="" type="checkbox"/> Vacancy < 3.5%	<input type="checkbox"/> Vacancy > 3.5% and < 7%	<input type="checkbox"/> Vacancy > 7% and < 10%	<input type="checkbox"/> Vacancy > 10% and < 13%	<input type="checkbox"/> Vacancy > 13%
Reserves		A			
Risk Rating	A	B	C	D	F
Reserves	<input checked="" type="checkbox"/> Reserves and escrows are fully funded as originally underwritten <input type="checkbox"/> > \$2,500/unit	<input type="checkbox"/> Reserves and escrows are being funded and are sufficient to meet obligations <input type="checkbox"/> \$1,250 to \$2,500/unit	<input type="checkbox"/> Reserves and escrows are underfunded by 25% from original projections, but payments are being made <input type="checkbox"/> Balances are insufficient to meet long term project needs <input type="checkbox"/> \$650 to \$1,250/unit	<input type="checkbox"/> Reserves and escrows are underfunded by 50% from original projections, but payments are being made <input type="checkbox"/> Balances are insufficient to meet immediate and long term project needs <input type="checkbox"/> < \$650/unit	<input type="checkbox"/> Reserves and escrows are depleted and no payments are being made
Physical		A			
Risk Rating	A	B	C	D	F
Physical	<input checked="" type="checkbox"/> No physical issues <input type="checkbox"/> REAC score over 90	<input type="checkbox"/> Correctable deferred maintenance <input type="checkbox"/> REAC score less than 90, greater than 80	<input type="checkbox"/> Deferred maintenance/structural or environmental issues with minimum funding sources <input type="checkbox"/> Building Code violations <input type="checkbox"/> REAC score less than 80, greater than 65	<input type="checkbox"/> Significant deferred maintenance causing life/safety issues, structural and/or environmental issues with no identified source to remedy <input type="checkbox"/> REAC score less than 65	<input type="checkbox"/> Off-line units with no funding source to remedy <input type="checkbox"/> Major issues or building(s) condemned <input type="checkbox"/> Second REAC Score less than 65
Management		A			
Risk Rating	A	B	C	D	F
Management	<input checked="" type="checkbox"/> Management Agent is financially secure and able to meet all obligations as identified in the Management Agreement	<input type="checkbox"/> Management Agent is financially secure and able to meet all obligations <input type="checkbox"/> Minor Property, Management issues	<input type="checkbox"/> Weak Property Management/Potential replacement needed	<input type="checkbox"/> Management Company is ineffective and replacement is required	<input type="checkbox"/> Agent Bankruptcy, Regulatory agency sanctions <input type="checkbox"/> Foreclosure
Program Compliance		A			
Risk Rating	A	B	C	D	F
Program Compliance	<input checked="" type="checkbox"/> No material Compliance Issues <input type="checkbox"/> Part III is on track	<input type="checkbox"/> Correctable Compliance Issues with no financial impact <input type="checkbox"/> Part III is on track	<input type="checkbox"/> Correctable Compliance Issues with financial impact <input type="checkbox"/> 8609s delayed. Failing REAC and/or MOR Score with no corrective plan <input type="checkbox"/> 8823s issued and not corrected within 90 days <input type="checkbox"/> Part III delay is greater than three months	<input type="checkbox"/> Uncorrectable Compliance Issues <input type="checkbox"/> 8823s issued and left uncorrected at year-end <input type="checkbox"/> Part III is in Jeopardy with no remedy	<input type="checkbox"/> 8609s delayed more than 3 years <input type="checkbox"/> Part III denied <input type="checkbox"/> Recapture
Insurance/Taxes		A			
Risk Rating	A	B	C	D	F
Insurance/Taxes	<input checked="" type="checkbox"/> No insurance/tax issues	<input type="checkbox"/> No insurance/tax issues	<input type="checkbox"/> Unpaid real estate taxes but funds are available <input type="checkbox"/> Insurance requirements are not being met <input type="checkbox"/> Expired coverage	<input type="checkbox"/> Unpaid real estate taxes for two or more years <input type="checkbox"/> Tax Certificates sold <input type="checkbox"/> Insurance requirements are not being met and no funds are available	<input type="checkbox"/> Unpaid real estate taxes/unpaid insurance and no funds are available
Reporting		A			
Risk Rating	A	B	C	D	F
Reporting	<input checked="" type="checkbox"/> No reporting issues	<input type="checkbox"/> Minor reporting deficiencies	<input type="checkbox"/> Audit issued with Going Concern <input type="checkbox"/> Reporting is consistently delayed	<input type="checkbox"/> Inadequate or incomplete Reporting <input type="checkbox"/> Reporting accuracy in question	<input type="checkbox"/> Reporting not received
Recapture/Foreclosure		A			
Risk Rating	A	B	C	D	F
Recapture/Foreclosure	<input checked="" type="checkbox"/> No Recapture	<input type="checkbox"/> No Recapture	<input type="checkbox"/> Actual or expected loss or recapture of tax credits <input type="checkbox"/> Notice of Default	<input type="checkbox"/> Actual or expected loss or recapture of tax credits <input type="checkbox"/> Receiver has been appointed	<input type="checkbox"/> Recapture event <input type="checkbox"/> Sheriff's Sale
Owner/Risk Pool Advances		A			
Risk Rating	A	B	C	D	F
Owner/Risk Pool Advances	<input checked="" type="checkbox"/> No advances needed	<input type="checkbox"/> Up to \$1,000/unit in advances	<input type="checkbox"/> Greater and \$1,000/unit but less than \$1,500/unit in advances	<input type="checkbox"/> \$1,500-\$2,000/unit	<input type="checkbox"/> > \$2,000/unit