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## Recent Closing \$4,051,500



### Central Square Terrace

- ❖ CLOSED: July 2003
- ❖ WHERE: Keene, NH
- ❖ PROPERTY TYPE: 90 Unit Apartment Complex
- ❖ FINANCING: \$4,051,500

Central Square Terrace is a 90-unit apartment complex for the elderly and/or handicapped. The property has a 20-year Section 8 HAP contract, which expires in 2003. Because contract rents were above market rents, the project would have had to undergo the Mark to Market process through OHMAR if rents were not adjusted prior to the Section 8 contract expiration. Working with Rockport Mortgage Corporation and the Manchester HUD Field Office, the borrower was able to restructure the debt, lower the Section 8 contract rents and avoid the often difficult Mark to Market process altogether. The restructuring of the debt utilized HUD's 223(a)(7) program and included both the lowering of the interest rate, and an extension of the mortgage term. HUD processed the loan in approximately 30 days, and there was minimal cost to the borrower.

The property is managed by the Keene Housing Authority and serves a critical need of the Keene community. The refinance provided a long-term solution to keep Central Square Terrace affordable and in the Keene Housing Authority portfolio in order to best serve the community. The process was far more favorable to the residents and did not involve the inconvenience and anxiety to the residents of Central Square Terrace as may have occurred through the Markup to Market process.