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**LOVE FUNDING CORPORATION ARRANGES FINANCING FOR  
SCHEUER HOUSE OF BRIGHTON BEACH**

**WASHINGTON, D.C., March 2, 2006 ...** Love Funding Corporation, a national mortgage-banking firm, today announced that Laura Saull-Smith, senior vice president, arranged an \$8,351,200 loan for the refinance of Scheuer House of Brighton Beach, an age restricted Section 8-based residential community in Brooklyn, N.Y.

The Borrower originally secured a 202-insured loan from HUD in 1981 at an interest rate of 9.00 percent in the amount of \$9.4 million for the construction and permanent financing of the subject property. By placing a new HUD 223(f) loan on the property, Love Funding has enabled the Borrower to pay off outstanding debt, fund a replacement reserve of \$220,000 (\$1,429/unit), fund repairs totaling \$1.24 million (\$8,064/unit), extend the amortization to 35-years and lock in an interest rate of 5.95 percent. The loan is limited to 100 percent of the borrower's closing costs and also allows the non-profit Borrower to save more than \$260,000 per annum in debt service.

“This is certainly a win-win for the borrower, the residents and HUD,” said Smith. “By placing a new 223(f) loan on the property, the residents will continue to receive affordable rents while receiving unit upgrades and new windows. “In addition, the annual debt service savings will be utilized to provide more resident services, including the hiring of a full-time service coordinator, activity director and part-time Russian teacher/translator. There are even enough funds allocated to establish a community computer room with internet service and staffing for instruction. As most tenants have insufficient income to afford this type of equipment, this amenity will enable them to maintain contact with family members, often from the former Soviet Union or other remote locations.”

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## **Love Funding/Scheuer House of Brighton Beach First Add**

Scheuer House of Brighton Beach is located on 3161 Brighton 6<sup>th</sup> Street in the Brighton Beach neighborhood of Brooklyn. The project was built on a 0.689 acre parcel of land under the HUD 202 construction/permanent loan program and consists of one 13-story apartment building containing two elevators and 154-residential units. The residents of Brighton Beach enjoy a location that directly fronts the boardwalk and beach.

The building was well constructed; however, due to its age and the location directly in front of the Atlantic Ocean, the property is in need of cosmetic interior and exterior repairs. The new HUD mortgage enables funding of more than \$1.2 million in work to be completed, including the replacement of all exterior windows, common and resident area flooring as well as interior kitchen counters and cabinets. There are also sufficient funds for completion of the borrower's additional "wish-list" items, including providing for installation of an emergency generator, as well as upgrading the fire protection, safety and monitoring systems.

Apartment amenities include four-burner gas stoves, vented range hoods and frost-free refrigerators. Emergency pull cords are located in all the bedrooms and bathrooms. Common area amenities include a commercial service kitchen used by "Meals on Wheels" to provide meals to the community, a central dining area, several community rooms, including an arts and crafts room, a social services office, library, game room with pool table, laundry facility, an outdoor terrace overlooking the Brighton Beach boardwalk and the ocean, an intercom access system at the entrance and 24-hour security.

The property offers one efficiency and 152 one-bedroom units, which are 450 and 600 square feet respectively. In addition, there is one, two-bedroom unit at 750 square feet that is a rent free apartment occupied by the superintendent of the building. Current Section 8 contract rents are between \$1,089 for the efficiency and \$1,166 for the one-bedroom units. Occupancy has historically averaged 99 percent to 100 percent during the last three years, and there is currently a waiting list.

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**Love Funding/Scheuer House of Brighton Beach  
Second and Final Add**

Love Funding Corporation is one of the Love Companies, an investment holding company with origins dating back to 1875. Love Funding commenced mortgage-banking operations in 1984 and continues to serve clients across the United States from its offices in Atlanta, Boston, Cleveland, Dallas, Detroit, Knoxville, Lenox (MA), Los Angeles, New York, Palm Beach, St. Louis, San Antonio, Seattle and Washington D.C. The company offers funding programs for multifamily, retail, office, industrial, hospitality, and senior housing and healthcare properties. Love Funding's sources include conduits, life companies, FNMA, FHLMC and FHA. Services include refinance and acquisition loans for existing properties and construction and development loans for most property types.

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