

.03 REVIEW OF APPLICATION

The Servicer should consider in its evaluation, and address in its recommendation, the following:

- The net income of the mortgaged premises before debt service and depreciation.
- The net income and the total debt service expressed as a ratio.
- The return on the transferee's equity.
- The transferee's previous management experience and its ability to maintain or increase the net income.
- The transferee's financial statement and credit history to provide evidence of the transferee's ability to repay the mortgage and evidence that the transferee has repaid or is repaying other loans according to their respective terms, as well as evidence of the 20% cash toward the transaction. The Servicer must abide by AHFC's decision concerning the qualifications of the transferee and the terms of the transfer.