Section 538 (RHS 538 GRRHP) – Tales from the Rural Roads of America

Presentation Agenda

Introductions:

- Bob Morton, Moderator and Presenter. Senior Vice President & Director of RHS Programs, Bellwether Enterprise Real Estate Capital, LLC.
- Carl Wagner – Presenter. Senior Vice President, Lancaster Pollard.
- Rob Hall – Presenter. Director, Bonneville Multifamily Capital.
- Brent Watts – Presenter. Senior Vice President & National Debt and Equity Director, Churchill Stateside Group.

Presentation Outlines:

General RHS 538 GRRHP Overviews and Updates:

- Bob Morton – RHS 538 GRRHP Overview
- Carl Wagner – RHS 538 GRRHP Program Initiatives
- Rob Hall – RHS 538 GRRHP Fiscal Year 2014 Status of the NOFA, Available Funds, and other information from the National Office

Tales from the Rural Roads of America and the RHS 538 Program:

- Brent Watts – Unfunded Forward Permanent Loan Only
- Carl Wagner – Construction & Permanent Loan
- Rob Hall – Portfolio of RD 515 & RHS 538 Loans
- Bob Morton – Immediate Delivery of an RHS 538 Permanent Loan Only with an RD 515 Loan.

Questions and Discussions:

**Thank you and Conclusion of the Presentation!**
BELLWETHER ENTERPRISE
REAL ESTATE CAPITAL, LLC

Bob Morton
Senior Vice President &
Director RHS Programs

Direct: 219/879-3118
Cell: 216/870-9935
Email: bmorton@bwecap.com
Bob Morton

• Bob has 17 years of experience in the commercial lending and banking industry and serves as the Director of Rural Housing Services for Bellwether Enterprise. He has concentrated specifically on Rural Housing Service (RHS) and Federal Home Administration (FHA) multifamily and healthcare guaranteed loan programs since 2004.

• Since joining Bellwether Enterprise in 2009, Bob has greatly expanded his knowledge and expertise in the Freddie Mac, Fannie Mae and Life Company loan products. Prior to Bellwether Enterprise, Bob was the chief underwriter and department head of RHS loans and an FHA originator at Centennial Mortgage, Inc. He earned his Bachelor of Arts in finance and economics from Indiana State University, and his Graduate School of Commercial Lending/MBA degree from Michigan State University.

• Bob is a member of the Council for Affordable Rural Housing and was a key member of the CARH subcommittee that spearheaded the effort and success of reactivating the RHS 538 GRRHP loan program with the Federal Government in 2012.
Bellwether Enterprise Company Overview

- Bellwether Enterprise is a full-service, commercial and multifamily mortgage banking company that puts people first. Large enough to provide an impressive variety of lender options, we’re just the right size to offer the type of one-on-one attention that our clients deserve.

- Bellwether Enterprise provides loans for a range of institutional investors including life insurance companies, pension funds, commercial banks and CMBS lenders and is a direct FHA, Fannie Mae, Freddie Mac and USDA RHS lender.

- In November 2013, Bellwether Enterprise was named a National Best and Brightest Companies to Work For™ Winner.
Servicing Portfolio Statistics - Investor Type Summary as of December 31, 2013:

<table>
<thead>
<tr>
<th>INVESTOR TYPE</th>
<th># OF LOANS</th>
<th>% OF TOTAL</th>
<th>PRINCIPAL BALANCE</th>
<th>% OF TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Companies</td>
<td>770</td>
<td>56.45%</td>
<td>3,370,969,742</td>
<td>53.85%</td>
</tr>
<tr>
<td>FHA</td>
<td>122</td>
<td>8.94%</td>
<td>777,897,466</td>
<td>12.43%</td>
</tr>
<tr>
<td>Fannie Mae</td>
<td>213</td>
<td>15.62%</td>
<td>631,465,867</td>
<td>10.09%</td>
</tr>
<tr>
<td>Freddie Mac-Securitized</td>
<td>60</td>
<td>3.15%</td>
<td>558,835,465</td>
<td>8.93%</td>
</tr>
<tr>
<td>Equity</td>
<td>90</td>
<td>4.40%</td>
<td>389,103,221</td>
<td>6.22%</td>
</tr>
<tr>
<td>Freddie Mac</td>
<td>43</td>
<td>6.60%</td>
<td>218,520,180</td>
<td>3.49%</td>
</tr>
<tr>
<td>Insurance Company-Securitized</td>
<td>11</td>
<td>0.81%</td>
<td>110,896,789</td>
<td>1.77%</td>
</tr>
<tr>
<td>CMBS</td>
<td>13</td>
<td>0.07%</td>
<td>137,878,475</td>
<td>2.20%</td>
</tr>
<tr>
<td>RHS</td>
<td>41</td>
<td>3.01%</td>
<td>40,949,292</td>
<td>0.65%</td>
</tr>
<tr>
<td>Private Institution</td>
<td>1</td>
<td>0.95%</td>
<td>23,600,000</td>
<td>0.38%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,364</strong></td>
<td><strong>100%</strong></td>
<td><strong>6,260,116,496</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

- Fitch Ratings assigned Bellwether Enterprise a CMBS primary servicer rating of ‘CPS3+’.
Craig Hackett and Rob Hall are two of the producers at Bonneville that have specialized in affordable housing for the past 20 years; 10 of those years have been at Bonneville Multifamily Capital exclusively marketing the USDA 538 program. They processed and pioneered the first tax credit oriented USDA 538 loans while at Key Bank. They originated the construction loans, bought the tax credits and then executed the permanent loans when the projects were complete.
Now at Bonneville they are the head of the 6 person team that is exclusive to USDA 538 production.

To date they have closed 241 USDA 538 loans. They are a Ginnie Mae seller/servicer and they maintain a USDA 538 servicing portfolio.

Craig sits as vice chair on the Utah State OWHTF (HOME funds) Board, and, was vice chair of the UCRC lender affordable housing consortium while Rob does most of the real work.

Based on Bonneville’s experience with affordable tax credit project financings they now are an approved FHA/MAP lender with approximately $100,000,000 in closings and pipeline.

Bonneville Multifamily Capital is a subsidiary of Q10/Bonneville Mortgage Co. Bonneville issues loans of almost any size and type including CMBS, life-insurance company and all of the agency financings.

Q10 | Bonneville presently services over 700 income property loans totaling over $2.5 billion on behalf of life insurance companies and other institutional lenders.
Carl Wagner is a senior vice president and the director of rural housing programs for Lancaster Pollard, a financial services firm based in Columbus, Ohio, that specializes in providing capital funding to the health-care, senior-living and affordable-housing sectors. In addition to underwriting tax-exempt and taxable bond offerings, Lancaster Pollard provides organizations a complete range of funding options through its Fannie Mae/FHA/GNMA/USDA-approved mortgage lender subsidiary. Mr. Wagner is able to use his extensive knowledge and 35 years of experience working for the United States Department of Agriculture to increase efforts to revitalize USDA Sec. 515 financed properties and finance new construction of affordable housing using the Sec. 538 program.

Mr. Wagner has focused his efforts on affordable and market-rate housing, providing client guidance and support on a range of mortgage loans for rehabilitations, new construction and refinancing projects. His thorough understanding of and experience with programs, such as FHA, USDA, Fannie Mae combined with other sources of financing have allowed him to creatively combine financing options to achieve the most cost-effective outcome for clients nationwide.

Prior to joining Lancaster Pollard, Mr. Wagner served as the Director of the Multifamily Processing Division in Washington, D.C. and was a chief architect of the Sec. 538 program. As director, he oversaw the underwriting, origination and administration of a $275 million loan program that included Sec. 515 new construction and rehabilitation projects, Farm Labor Housing, Housing Preservation Grants and the Sec. 538 Guaranteed Rural Rental Housing Program. He also provided program guidance to 47 USDA state offices and 240 regional offices with a combined caseload of 17,000 properties.

Mr. Wagner received a bachelor’s degree in agricultural education from The Ohio State University and graduated from the University of Maryland Advanced Studies Program for Housing and Public Finance. He has served as a guest lecturer and has taught real estate courses at Bowling Green State University and Wright State University. He currently serves as an advisory board member for the Council for Rural Housing and Development of Ohio.
Brent Watts is Senior Vice President, National Debt and Equity Director, for Churchill Stateside Group and is responsible for the debt and equity production team. Mr. Watts assists in the origination and management of developer and investor relationships. Mr. Watts brings 9 years of tax credit experience to the team. Mr. Watts served as the Vice President of Acquisitions for Stateside Capital prior to the company’s merger with The Churchill Companies, where his responsibilities included building and maintaining developer, syndicator, and banking relationships, quantitative analysis of acquisition pricing, pre-acquisition due diligence and underwriting, and the execution of lower-tier property closings. Brent was also instrumental in structuring upper-tier funds both from a modeling and asset allocation perspective. Mr. Watts has obtained his Series 65 license for his RIA responsibilities at the company. Mr. Watts holds a BBA in Finance with a concentration in Real Estate from the University of Alabama.