

**Assisted Living of Wall Township
Spring Lake, Monmouth County**

Updated January 9, 2016, 2:00 p.m.

QUESTIONS AND ANSWERS

In connection with the Agency's issuance of its Request for Offers to Purchase for the Sale of Notes and Mortgages Held on Assisted Living of Wall Township on October 27, 2016, the Agency received questions from members of the public. In accordance with the procedures set forth in Section 6.0 of the RFOTP, the questions and the Agency's answers are provided as follows:

Q: What is the approximate current principal balance and accrued interest on the note?

A: There is approximately \$20,943,187 due and owing in principal, interest and fees. The principal balance is approximately \$13,347,502.

Q: Will the rent regulations continue after purchase of the loan by a private entity and foreclosure?

A: As stated in Section 1.1 of the RFOTP, the Agency will be assigning the Financing, Deed Restriction and Regulatory Agreement along with the mortgage and note. The assignee will have control of that agreement and it is anticipated that the assignee will discharge it after assignment. The Agency does not intend to enforce the Financing, Deed Restriction and Regulatory Agreement or the regulations upon which it is based after it no longer holds the loan documents.

Q: Is the expiration of the 15 year period after 50% occupancy a factor in expiration of the rent regulations?

A: See the answer immediately above.

Q: Will the sale of the note and mortgage be subject to HUD mortgage insurance?

A: The Agency submitted a risk-sharing claim to HUD and intends to satisfy its obligation to HUD under that program with the sale proceeds. The assignee of the note and mortgage will have no obligation to HUD as to this claim.