The Rent Guidelines Board
2000 Mortgage Survey

March 21, 2000

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Summary

The Rent Guidelines Board's 2000 Mortgage Survey reveals both important changes and continued trends in the multifamily mortgage financing market. For the first time in three years, interest rates charged to those seeking both new financing and refinancing for multifamily properties increased. However, the trend of flexible lending practices and increases in loan activity continued, indicating that interest rates are still low enough by historical standards to encourage both new borrowing and refinancing. For the first time,lenders were surveyed about the geographic location in which they provided mortgages. The geographic questions found that neither lending practices nor interest rates vary significantly between the City's boroughs and that lending criteria and building characteristics weigh more heavily in the type of terms and rates offered to borrowers.

Introduction

Section 26-510 (b)(iii) of the Rent Stabilization Law requires the Rent Guidelines Board to consider the "costs and availability of financing (including effective rates of interest)" in its deliberations. To assist the Board in meeting this obligation,each January the RGB research staff surveys financial institutions that underwrite mortgages for multifamily properties in New York City. The survey provides details about New York City's multifamily lending during the 1999 calendar year. The survey is organized into five sections: new and refinanced loans,underwriting criteria,non-performing loans, characteristics of buildings in lenders'portfolios and geographical distribution of lending practices.

Survey Respondents

Of the sixty-eight surveys mailed,twenty-seven financial institutions responded, one more than last year. The survey sample is updated annually to include only those institutions offering loans for multiple dwelling, rent stabilized properties. New institutions were found through research in trade journals, directories, World Wide Web search engines and lists compiled by the Federal Deposit Insurance Corporation (FDIC). Of the twenty-seven respondents, one was a commercial mortgage firm,one was a governmental agency, one was a non-profit development corporation and the rest were traditional lending institutions including savings banks,S & L's and commercial banks.

The Federal Deposit Insurance Corporation (FDIC) provided data about the multifamily real estate holdings of the survey respondents. There is significant variety in the dollar value of the holdings of the respondents, ranging from $75,000 to $ 2.6 billion. Five had over a billion dollars in holdings,while three had under ten million. The average holding was $556 million.

What's New

- ✔ Average interest rate for new multifamily mortgages is 8.71% - the first increase in three years.
- ✔ Average fees (points) for new loans have declined to 0.99% - the lowest in the history of the survey.
- ✔ Terms have remained flexible in response to increased levels of demand and declining defaults.
- ✔ Underwriting criteria (loan-to-value and debt service ratios) have remained unchanged from last year, signs of a stable mortgage market.
- ✔ New geographic questions reveal lending practices and interest rates vary little between boroughs and that lending criteria and building characteristics weigh more heavily in the type of terms and rates offered to borrowers.

As demonstrated in previous surveys,a few large lenders again provided the majority of new and refinanced mortgages. Of the entire pool of respondents, three provided almost 65% of the total volume of new mortgages, and five provided almost 80% of the total volume of refinanced loans of all respondents. All of these institutions were mainstream banks.

Nineteen institutions responding this year also completed last year's Mortgage Survey, a decrease of two from the previous year in the number of respondents providing information for two consecutive years. By examining longitudinal respondents,the staff was better able to distinguish between actual changes in the lending market versus fluctuations caused by different institutions responding to the surveys in consecutive years. This report begins by discussing findings from a cross-sectional study of all respondents to the 2000 Mortgage Survey followed by an analysis of the longitudinal group.

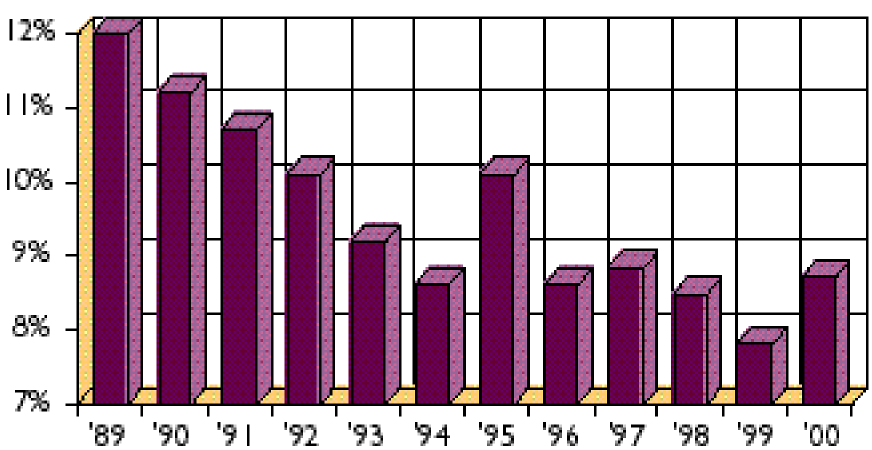
Cross-Sectional Analysis

Financing Availability and Terms

Average interest rates increased this year, for the first time in three years. This year's average rate of 8.71% for new multifamily mortgages was an increase of 0.90 percentage points,or 12%,from the previous year. There are many factors that this increase can be attributed to, most notably the actions taken by the Federal Reserve Board to raise interest rates in an attempt to prevent the United States economy from overheating.[1] In addition,bank mergers and acquisitions reduced the universe of lenders,and therefore the amount of competition,part of the ongoing trend in the banking industry that continued unabated last year.

Of the twenty-seven institutions responding to the survey this year, virtually all (25) also offered refinanced mortgages,and usually on the same terms. While most charged the same rate for refinanced and new originations, three charged

Multifamily Mortgage Interest Rates Increase
(Average Interest Rates for New Loans, 1989-2000)



Source: Rent Guidelines Board, Annual Mortgage Surveys.

Definition of Terms

Actual LTV - the typical loan-to-value ratio of buildings in lenders' portfolios

Debt Service - the repayment of loan principal and interest

Debt Service Ratio - net operating income divided by the debt service;measures the risk associated with a loan; the higher the ratio, the less money an institution is willing to lend

Loan-to-Value Ratio (LTV)- the dollar amount institutions are willing to lend based on a building's value; the lower the LTV, the lower the risk to the lender

Maximum LTV - the loan-to-value ratio set by the lenders as part of their underwriting criteria

Points - upfront service fees charged by lenders as a direct cost to the borrowers

Terms - the amount of time the borrower has to repay the loan; generally, the term should not exceed the remaining economic life of the building

The average interest rate for new multifamily mortgages is 8.71% - the first increase in three years.

lower rates and one charged a higher rate for refinanced loans. The average rate for refinanced loans was 8.62%, an increase of 1.44 percentage points, or 20%, from the previous year. Of the two respondents who did not offer loan refinancing, both offered new mortgages at higher interest rates, (on average 9.38%),than those offering both loan types.

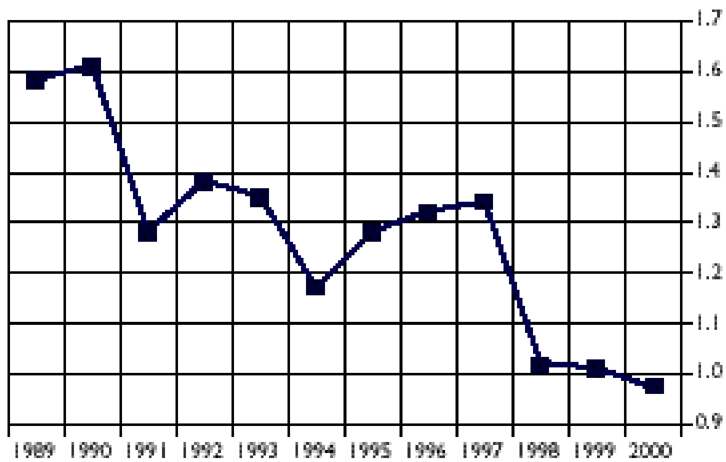
Actions taken by the Federal Reserve Board in 1999 help to explain the increase in mortgage rates. In response to the strong growth in the national economy, and the ensuing potential for inflation, the Fed raised the Discount Rate — the interest rate at which depository institutions borrow from the Federal Reserve Bank of New York — two times during 1999, from 4.5% in January 1999 to 5.00% in December 1999.

Average points — upfront service fees charged by lenders — were 0.99% this year, a slight decrease from last year. Points for new mortgages ranged from 0 to 2%, with most respondents offering 1%. This year, the average points charged for refinanced loans was 1.01%,up from last year's figure of 0.92%.

Similar to the results from last year's Mortgage Survey, lenders remained flexible in the loan terms they offered this year. While term lengths are difficult to analyze (survey respondents normally provide a wide range of terms rather than a single number),the range of terms offered this year was about the same as that found last year. Mortgage terms reported by respondents again fell within the 3- to 30-year range,and most lenders offered 10 to 15 years. Just one lender offered as little a maximum term of five years or less. Another five lenders gave mortgage terms of 25 to 30 years. This flexibility is in great contrast to terms found as recently as the 1995 Survey, which indicated that close to half (eight out of twenty) of respondents offered maximum loan maturities of just five years. Furthermore,this year 50% of lenders offered fixed rates,40% offered adjustable and the rest offered both types.

Service Fees for New Loans Continue to Decline

(Average Points Charged for New Loans, (1989-2000)



Source: Rent Guidelines Board, Annual Mortgage Surveys.

Average service fees for new loans fell to 0.99% - the lowest in the history of the survey.

The trend of increases in new and refinanced loan activity continued from the last few years. An average of 41 new loans per institution were financed in the previous year, while an average of 61 were originated this year, a 49% increase. The average number of refinanced loans rose from 50 to 65 this year, a 30% increase. These increases in loan volume were mostly attributable to increases in applications: 42% of the respondents reported significant increases in the volume of new and refinanced loan applications they received. Three institutions had increases of at least 40% in the number of applications filed. Another eight reported increases of less than 40%.But while ten institutions reported that there was no change in the number of loans from one year to the next, five respondents saw decreases in loan volume due to decreases in both approvals and applications.

Much of the trend of increased new and refinanced loan activity can be traced to the fact that while interest rates did increase over last year, they still are lower than those found in the late 1980s and early 1990s, which encouraged more borrowers to refinance their loans. This year, 90% of respondents that provided information on loan volume said they provided at least some refinancing at lower rates. Furthermore, 55% of lenders refinanced three-fourths or more of their loans at lower rates. This is in contrast to last year's rate of 47%. In addition,to determine whether small building owners were sharing in the refinancing boom, the survey asked lenders how many of their refinanced loans were to buildings with 20 or fewer units: on average,30% of institutions refinanced three-fourths or more of these loans at lower rates.

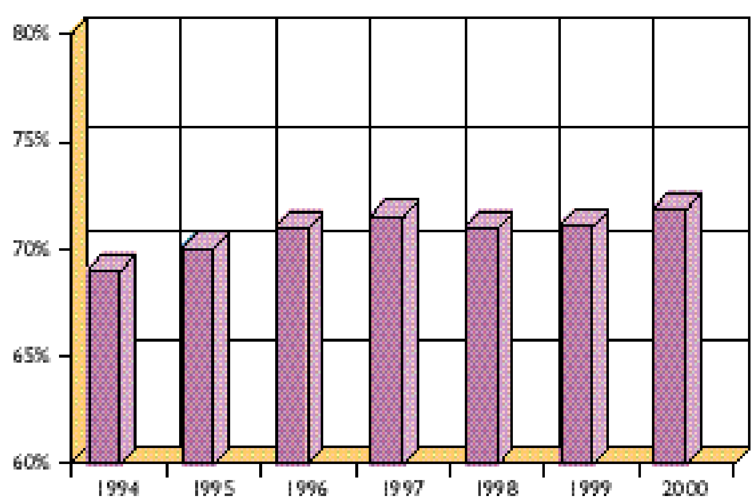
Underwriting Criteria

Lending practices have remained largely unchanged over the last few years. This trend reflects a period of low delinquencies and defaults that resulted from stricter requirements in effect during the early 1990's. In a replication of last year's Mortgage Survey, this year's findings provide additional evidence that while lenders are always cautious,the end of the 1990's represented a new era of ample loan availability and a continuation of the less stringent underwriting policies seen for the last several years.

In this year's survey, only two respondents reported changes in their underwriting practices: one lowered the points and fees for borrowers looking for mortgages and increased the monitoring requirement, and the other increased its overall approval rate. In terms of approvals, just one

Maximum Loan-to-Value Ratios Change Slightly

(1994-2000 Cross Sectional Average Loan-to-Value Standards)



Source: Rent Guidelines Board, Annual Mortgage Surveys.

respondent reports more stringent criteria due to increased demand for mortgages.

There was little change in the other areas of origination practices and standards measured by the Mortgage Survey. Criteria for maximum loan-to-value ratios, debt service coverage, and building characteristics, such as age and condition, varied little from last year's survey. The average maximum loan-to-value ratio (LTV), the dollar amount ceiling respondents were willing to lend based on a building's value, ranged from 63% to 90%. The average was 72.4%--virtually unchanged from the previous year's 71.1%.

The debt service ratio (or net operating income divided by the debt service) remained virtually unchanged,with an average debt service requirement of 1.24, virtually the same as last year's 1.25. The debt service ratio measures an investment's ability to cover mortgage payments using its net or operating income. The higher the debt service coverage requirements, the less money a lender is willing to loan given constant net income. Because the average debt service ratio remained relatively constant since last year, we can assume that most lenders have not changed the amount of money they are willing to lend in relation to the net operating income of buildings.

Lenders cite other standards employed when assessing loan applications. Sixty-seven percent of lenders stipulate that overall building maintenance is an important standard when assessing loan applications. Thirty percent consider the number of units important. Fifteen percent of lenders state that they take into account the age of a building. Another 15% consider a building's potential for cooperative or condominium conversion. And 11% of lenders take into consideration whether the borrower was an occupant of the building.

Non-Performing Loans and Foreclosures

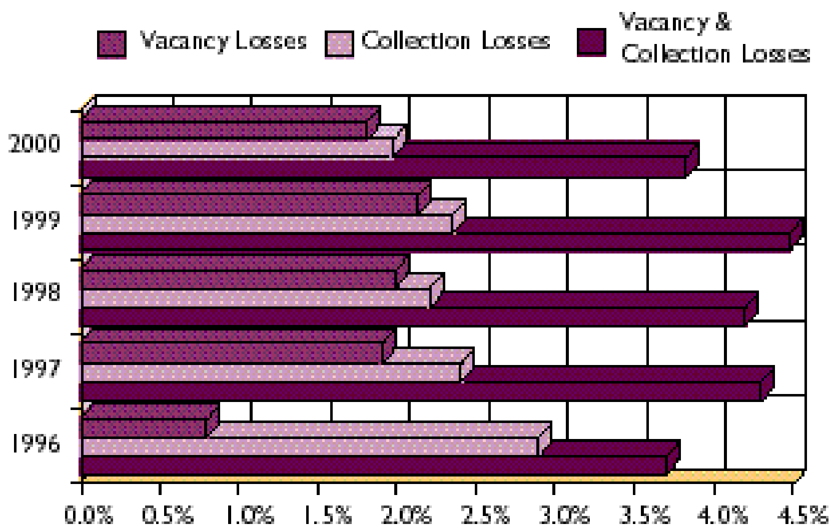
This year, just 19% report having non-performing loans and just 15% report having foreclosures over the past twelve months. In yet another sign that lenders were operating in a stable and possibly improving mortgage market,this represented a decrease from last year's figures of 29% reporting non-performing loans and 22% reporting foreclosures, representing declines of ten and seven percentage points, respectively. These non-performing and foreclosed loans represented less than 2% of respondents'total loans to rent stabilized buildings.

Four lenders who report having non-performing loans took foreclosure actions. Of those four, one seized the non-performing property, one instituted a resumption of regular debt service and arranged financing with another financial institution,and the other two lenders did not report their actions.

Characteristics of Rent Stabilized Buildings

According to respondents,there was little change in the characteristics of rent stabilized buildings in their portfolios this year. As in the surveys over the previous three years,the average building size in lenders' portfolios this year was 20 to 49 units. Furthermore,the majority of respondents (63%) report that the

Vacancy and Collection Losses Decline
(Average Vacancy and Collection Losses, 1996-2000)



Source: Rent Guidelines Board, Annual Mortgage Surveys.

Vacancy and collection losses decreased overall to their lowest level in four years.

average building contains at least twenty or more units.However, a significant number (21%) of lenders reported that the average building financed by them was under ten units. Forty-eight percent of the buildings in lenders'portfolios were built between 1921 and 1946,the most commonly cited age range.

Over the last several years, there have been several fluctuations in the vacancy and collection losses reported by respondents. Average vacancy and collection losses dropped to 3.80%,down significantly from last year's 4.48%, a drop of 15%. In addition, the percentage of losses attributed to collection problems alone also showed a significant decrease from 2.35% last year to 1.96% this year, a decline of 17%. Moreover, the percentage of lenders facing 5% or more in vacancy and collection losses declined this year from 57% to 52%.

In this year's survey, lenders report an average loan-to-value (LTV) of 67.8%, virtually unchanged from the previous two years. This result reflects the same stability as found in the maximum ceiling LTV required by institutions. The lack of significant changes in both the average and maximum ceiling LTV ratio indicates that lenders are holding firm to their lending standards, a sign of a stable mortgage market.

There was a slight increase in both the average operating and maintenance (O&M) costs and average rent reported by respondents. The average O&M expense per unit per month reported by lenders was $337,a 1.8% increase from the $331 average found in the 1999 Mortgage Survey. In addition, the average rent per unit per month was $671,which was $36,or 5.7% higher than last year.[2]

Geographic Distribution

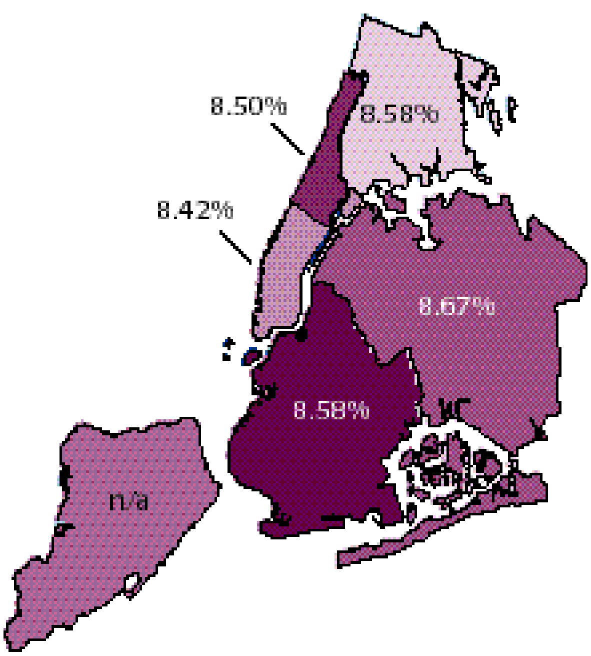
New to this year's survey are questions related to the geographic location of buildings to which lenders provided mortgages. These questions were added in response to queries by board members interested in getting a better understanding of the lending practices of those institutions that participated in the survey. Lenders were asked about the percentage of new and refinanced loans made to each borough, with Manhattan divided into upper and lower sections, acknowledging the common bifurcation of real estate data in that borough.[3]

The most notable finding was that the geographic location of buildings receiving new mortgages appears to be of minimal importance to lenders in determining rates and terms. Of those lenders with at least a quarter of their portfolio located in lower Manhattan (five institutions), the average new mortgage interest rate was 8.42%, 0.29 points, or 3%, lower than the average interest rate reported by all survey respondents. The average rate was 8.58% for lenders with at least a quarter of their new loans in Brooklyn (eleven),8.58% for the Bronx (six),and 8.67% for Queens (nine). Loans to Staten Island made up no more than 5% of any institutions' portfolios,and only one lender reported that at least 25% of loans were made in upper Manhattan.[4]

The survey results indicate that most survey participants' offer mortgages throughout the city, and that few lenders concentrate on only one borough or area. In this year's survey of new mortgage financing, 27.09% of loans in the survey were made in Queens, 25.98% to Brooklyn buildings, 18.55% in the Bronx, 19.01% in lower Manhattan, 8.30% in upper Manhattan, and 1.43% in Staten Island.

Average Mortgage Interest Rates Vary Little Between Boroughs

(Average Interest Rates Charged for New Loans, 1999-2000)

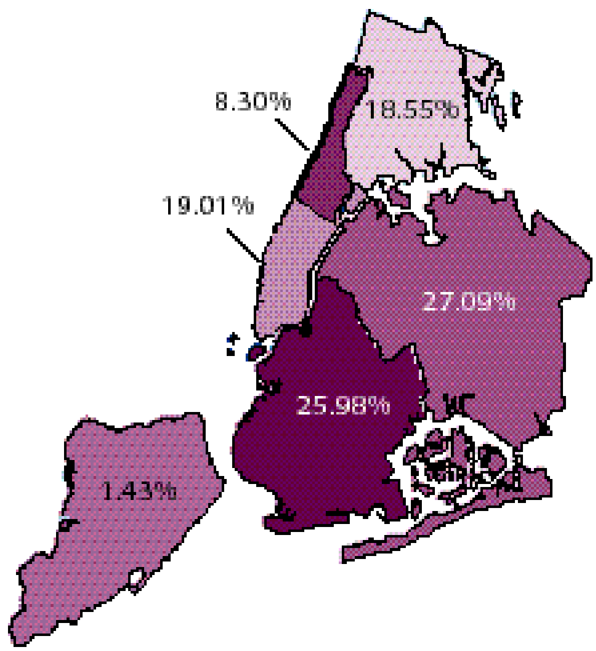


Source: Rent Guidelines Board, 2000 Mortgage Survey.

Note: For the purposes of this survey, lower Manhattan was defined as that part of the borough south of W. 110 St. and E. 96 St., and the remainder as upper Manhattan. Staten Island rate information is "not applicable" because it does not contain enough stabilized buildings to calculate reliable statistics. These rates are the aggregate average charged by lenders citywide who offer at least 25% of mortgages in the particular borough.

Lending Institutions Offer New Mortgages Throughout City

(Average Distribution of New Mortgages By Borough)



Source: Rent Guidelines Board, 2000 Mortgage Survey.

Note: For the purposes of this survey, lower Manhattan was defined as that part of the borough south of W. 110 St. and E. 96 St., and the remainder as upper Manhattan.

For refinanced lending, the distribution by borough is somewhat similar -- 21.69% of the refinanced mortgages in the survey were made in the Bronx, 24.57% in Queens, 22.39% in Brooklyn, 19.79% in lower Manhattan, 10.95% in upper Manhattan,and 0.53% in Staten Island.

The survey also asked lenders to report for the first time the number of dwelling units contained in the average rent stabilized building in each borough in their portfolios. Respondents replied that they most frequently lent to medium-size buildings (20-99 units) in all boroughs except Staten Island. In the Bronx,88% of that borough's mortgages were to medium size buildings,and in upper Manhattan,86%. Meanwhile,the other areas were more evenly divided -- in Queens,56% of the borough's mortgages were to medium-sized buildings,53% in Brooklyn, and an even 50% in lower Manhattan. The remainder of the buildings in lenders' portfolios in each borough were smaller buildings, containing an average of 6-19 units -- 12% in the Bronx,14% in upper Manhattan, 44% in Queens, 47% in Brooklyn, 50% in lower Manhattan and 100% in Staten Island. While lenders do certainly lend to large buildings, none reported that their average building contains over 100 units.

Longitudinal Analysis

Since a number of respondents reply to the Mortgage Survey in at least two consecutive years, information regarding rent stabilized buildings can be analyzed longitudinally to more accurately measure changes in the lending market. This longitudinal comparison helps to determine whether changes highlighted in the cross-sectional analysis reflect actual fluctuations in the lending market or the presence of a different pool of respondents this year. In this section, responses from the nineteen lenders who replied to surveys both last and this year (longitudinal group) were compared to the data from all twenty-seven institutions providing responses in the 2000 survey (cross-sectional group).

Financing Availability and Terms

Analysis of the longitudinal group provides data that supports the findings in the cross-sectional group. This year's average interest rate reported by the longitudinal group was 8.72%, which represents an increase of 11%, or 0.83 percentage points, from last year's rate of 7.89%. This mirrors changes reported by the cross-sectional group (8.71% this year and 7.81% last year, a 12%, or 0.90 percentage point, increase).

Similar changes were reported when looking at the interest rates for refinanced loans. Both groups' average interest rate increased from one year to the next, with the rate for the longitudinal group going from 7.64% to 8.64%, an increase of 13%. The average rate for the cross-sectional group, however, increased by 20%, which may be attributable to the five new organizations that responded to this year's survey.

Average points offered by lenders remained stable for new loans but increased for refinanced loans this year, mirroring the cross-sectional findings. The longitudinal group reports an average of 0.95% for new loans, the same as last year's figure, and 0.95% for refinanced loans this year, up from 0.86%.

The longitudinal group shows an increase in the average number of new loans opened by participating institutions, from 51 last year to 54 this year. In addition, the number of refinanced loans established by the longitudinal group increased, with 52 refinanced loans this year, versus 48 the year before. The longitudinal group had slightly fewer new and refinanced loans than the cross-sectional group. However, both groups show an overall trend towards an increasing number of mortgage approvals. Most lenders in the longitudinal group report that some portions of their loans were refinanced at lower rates. Ten longitudinal respondents report increases in loan volumes in this year's survey, primarily due to an increase in loan applications.

Lending Standards

In the longitudinal analysis, respondents report little change in the average maximum loan-to-value (LTV) ratio. There was a slight decline in the maximum LTV from 71.5% to 71.2% this year. The maximum LTV ratio found in the longitudinal group was slightly lower than the LTV found in the cross-sectional analysis (72.4%) for this year. The findings of both the longitudinal and the cross-sectional groups indicate relative stability in lending criteria. The actual average LTV of the longitudinal group remained virtually unchanged at 66.3%, down slightly from last year's 68.4%. It is also similar to the 67.8% reported in the cross-sectional analysis. Furthermore, this year's longitudinal debt service coverage ratio is 1.24, the same as last year, and also the same as this year's cross-sectional group figure.

This year, there was a substantial drop in the vacancy and collection losses in the longitudinal group from one year to the next. This year's average vacancy and collection loss was 3.74% compared to 4.53% last year, a 17% decrease. When the collection losses were calculated separately, this year's average longitudinal figure was similar to the cross-sectional study. The aggregation of the reduction in vacancy and collection losses along with the stability of lending standards illustrate that rent stabilized building owners are continuing to benefit from a stable and accessible lending market.

Non-performing and Delinquent Loans

There was very little change in the findings on non-performing or delinquent loans for the longitudinal group from one year to the next. Delinquencies continue to be minimal, with none of the lenders in the longitudinal group reporting significant changes in non-performing loans or foreclosures from the same period last year.

Conclusion

The most significant finding of this year's survey was the rise in interest rates,primarily in response to the numerous rate increases by the Federal Reserve Board over the last year. However, lending standards remain stable. Fewer respondents report non-performing loans and foreclosures, and vacancy and collection losses decreased this year. These findings overall,along with an increased demand for lending services, indicate that, except for higher interest rates, borrowers were operating in a relatively stable and favorable borrowing market.

Endnotes

1. "Greenspan Warns of Another Rise in Interest Rates," The New York Times, February 18, 2000, explains that the Federal Reserve Board Chairman Alan Greenspan has raised interest rates a number of times to avert a buildup of inflation.

2. The per unit, per month O&M expense and rent figures reported in the Mortgage Survey reflect a very small, non-random sample of the City's regulated stock and are included for informational purposes only. The rent and expense figures in the Income and Expense Study are derived from a much larger sample of stabilized buildings and can be viewed as authoritative.

3. For the purposes of this survey, lower Manhattan was defined as that part of the borough south of W. 110 St. and E. 96 St., and the remainder as upper Manhattan.

4. Interest rate averages for each borough are slightly lower than the overall average rate because the institutions reporting the two highest interest rates did not report their geographic distribution of mortgage lending. Therefore, those higher rates are excluded from the by-borough calculations.

2000 Mortgage Survey Appendix

A. Interest Rates and Terms for New and Refinanced Mortgages, 2000

	New Mortgages					Refinanced Mortgages				
Instn	Rate (%)	Points	Term (yrs)	Type	Volume	Rate(%)	Points	Term (yrs)	Type	Volume
1	9.27	1	30	fxd	10	9.27	1	30	fxd	0
5	8.50	1	5-10	fxd	35	8.50	1	5-10	fxd	40
6	8.88	.4	5+5+5	adj	9	8.88	.4	5+5+5	adj	5
10	8.33	0-1	5+7	fxd	NR	8.33	0-1	5+7	fxd	300
12	9.25	1	15	adj	0	§	-	-	-	-
14	8.75	0–2	5+5	adj	400	8.50	0–2	5+5	adj	400
15	8.75	0	10	fxd	65	8.75	0	10	fxd	15
16	8.50	1	5+5/25 bal	adj	NR	8.50	1	5+5/25 bal	adj	172
17	T+200-250	1	5-10	both	30	T+200-250	1	10	both	15
18	7.62	1-2	5,10,15	fxd	NR	7.62	1-2	5,10,15	fxd	24
19	9.26	1.5	10-15	NR	2	9.26	1.5	10-15	NR	0
20	8.25	1	7	fxd	NR	8.25	1	7	fxd	105
23	8.00	1	5+5	NR	60	8.50	1	5+5	NR	12
30	8.88	1	30	fxd	100	8.88	1	30	fxd	30
31	8.75	1–2	10-15	adj	21	8.75	1–2	10-15	adj	10
32	cof+1.5	.8	3-10	both	1	cof+1.5	.8	3-10	both	1
33	8.25	1	15	adj	44	8.25	1	15	adj	22
35	8.50	1	15	fxd	NR	8.50	1	15	fxd	15
37	9.00	1	10	NR	12	9.00	1	10/5 yr payout	NR	0
40	8.125	1.5	15	fxd	18	8.00	1.5	10-25	fxd	1
41	10.54	1	10/15/20	fxd	NR	9.71	1.5	3,5,7 bal (25π)	NR	NR
73	7.75	1	10-25	both	1	7.75	1	10-25	both	0
106	^	^	30	fxd	50	^	^	30	fxd	30
107	8.13	1	5+5	adj	201	8.13	1	5	adj	201
111	9.50	1	25	adj	0	§	-	-	-	-
112	9.75	1	5/25 π	adj	1	9.75	1	5/25 π	adj	1
117	8.50	1	5	fxd	225	8.50	1	5	fxd	150
Avg.	8.71	0.99	10–15 *	†	61	8.62	1.01	10–15 *	†	65

Ω Treasury Bill plus spread.
π Amortization.
§ Refinancing not available.
† No average computed.
* Represents typical response.
^ Excluded;subsidized rate

fxd = fixed rate mortgage.
adj = adjustable rate mortgage.
bal = balloon
NR = no response to this question.

Note: The average for interest rates,points and terms is calculated by using the midpoint when a range of values is given by the lending institution. Five year terms with one or more five year options are considered to have 5-year maturities when calculating the mean.

Source: 2000 Rent Guidelines Board Mortgage Survey.

B. Typical Characteristics of Rent Stabilized Buildings, 2000

Lending Institution	Loan-to-Value of Outstanding Loans	Maximum Loan-to-Value Standard	Debt Service Coverage	Vacancy & Collection Losses	Collection Losses Only	Typical Building Size	Average Monthly O&M Cost/Unit	Average Monthly Rent/Unit
1	70%	80%	1.15	5%	2%	50-99	$350	$700
5	75%	NR	NR	3%	2%	20-49	DK	$775
6	65%	70%	1.25	3%	2%	1-10	$350	$650
10	65%	NR	1.3	<1%	1%	50-99	$300	$550
12	65%	65%	1.2	3%	<1%	1-10	$350	$550
14	65%	70%	1.2	5%	2%	20-49	$325	$700
15	70%	70%	1.25	5%	4%	50-99	$350	$700
16	70%	70%	1.2	5%	2%	20-49	$300	$650
17	70%	68%	1.35-1.40	<1%	<1%	20-49	NR	NR
18	55%	80%	1.15-1.20	5%	5%	20-49	$374	$741
19	70%	75%	1.2	2%	<1%	NR	$235	$500
20	65%	NR	NR	<1%	<1%	50-99	NR	NR
23	65%	65-70%	1.25	3%	1%	20-49	$375	$1050
30	75%	80%	1.25	7%	NR	20-49	^	NR
31	75%	75%	1.2	5%	2%	11-19	$335	$650
32	70%	75%	1.3	3%	1%	NR	$500	$1000
33	65%	65%	1.35	4%	3%	20-49	$300	$600
35	60%	65%	1.25	5%	2%	20-49	$290	$625
37	65%	60–65%	1.2	<1%	<1%	11-19	$400	$850
40	65%	68%	1.3	<1%	<1%	1-10	$260	$462
41	65%	70%	1.2	>7%	4%	1-10	$267	$550
73	55%	80%	1.2	5%	2%	50-99	$477	$791
106	>85%	90%	1.15	6%	3%	20-49	$300	$413
107	65%	NR	NR	3%	2%	50-99	NR	NR
111	70%	70%	1.2	5%	3%	1-10	$350	$650
112	70%	75%	1.15	5%	NR	NR	NR	NR
117	70%	75%	1.3	5%	3%	50-99	$291	$595
Average	67.8%	72.39%	1.24	3.80%	1.96%	mode 20-49	$337	$671

NR indicates no response to this question.
DK indicates the respondent does not know the answer to this question.
^ Excluded;subsidized rate

Note: Average loan-to-value (LTV) and debt service coverage ratios were calculated using the midpoint when a range was given by the lending institution.

Source: 2000 Rent Guidelines Board Mortgage Survey.

C. Interest Rates and Terms for New Financing, Longitudinal Study

Lending Institution	Interest Rates 2000	Interest Rates 1999	Points 2000	Points 1999	Term 2000	Term 1999	Type 2000	Type 1999
1	9.27%	7.78%	1	1	30	30	fxd	fxd
5	8.50%	7%+	1	1	5–10	5+5 (20-30π)	fxd	fxd
6	8.88%	8.00%	.4	.5	5+5+5	5+5+5,7+7,10	adj	both
10	8.33%	6.5-7.0%	0-1	0-1	5+7	7-10	fxd	fxd
12	9.25%	9.00%	1	1	15	15	adj	fxd
14	8.75%	7.00-9.00%	0–2	0–2	5+5	5+5,7+5	adj	adj after 5+7yrs
15	8.75%	6.75%	0	0	10	5	fxd	fxd
17	T+200-250	7.50%	1	1–2	5-10	10-15	both	adj
18	7.62%	6.5-7%	1-2	1-2	5,10,15	5,5+5,10,15	fxd	fxd
23	8.00%	7.5-8.0%	1	1	5+5	5(15-20-30π)	NR	adj
30	8.88%	7.5	1	1	30	30	fxd	fxd
31	8.75%	±8.00%	1-2	1-2	10-15	10 (15π)	adj	adj
32	cof+1.5%	cof+1.25-1.75	.8	.5-1.0	3-10	3-10	both	fxd
33	8.25%	8.25%	1	1	15	15	adj	adj
35	8.50%	7.75%	1	1	15	15	fxd	fxd
37	9.00%	9.50%	1	1	10	10	NR	NR
40	8.125%	8.50%	1.5	2	15	15	fxd	NR
41	10.54%	7.61-10.49%	1	0-3	10/15/20	10 (15π)	fxd	fxd
73	7.75%	7-7.5%	1	1	10-25	5-25	both	fxd
Avg.	8.72%	7.89%	0.95	0.95	†	†	†	†

NR indicates no response to this question.
† No average computed.
Note: Averages for interest rates and points are calculated by using the midpoint when a range of values is given by the lending institution.
Source: 2000 and 1999 Rent Guidelines Board Mortgage Surveys.

D. Interest Rates and Terms for Refinanced Loans, Longitudinal Study

Lending Institution	Interest Rates 2000	Interest Rates 1999	Points 2000	Points 1999	Term 2000	Term 1999	Type 2000	Type 1999
1	9.27%	§	1	-	30	-	fxd	-
5	8.50%	7%+	1	1	5–10	5+5 (25-30π)	fxd	fxd
6	8.88%	§	.4	-	5+5+5	-	adj	-
10	8.33%	6.5–7.0%	0-1	0-1	5+7	7-10	fxd	fxd
12	§	§	-	-	-	-	-	-
14	8.50%	7.0–9.0%	0–2	0–2	5+5	5+5,5+7	adj	adj after 5+7yrs
15	8.75%	6.75%	0	0	10	5	fxd	fxd
17	T+200-250	7.50%	1	1–2	10	10-15	both	adj
18	7.62	6.5-7.0%	1-2	1-2	5,10,15	5,5+5,10,15	fxd	fxd
23	8.50%	7.5-8.0%	1	1	5 + 5	5(15-20-30π)	NR	adj
30	8.88%	7.5%	1	1	30	30	fxd	fxd
31	8.75%	±8.00%	1-2	1-2	10-15	10 (15π)	adj	adj
32	cof+1.5	cof+1-1.1	.8	.25-.5	3-10	1-10	both	fxd
33	8.25%	8.0	1	1	15	15	adj	adj
35	8.5%	7.75%	1	1	15	15	fxd	fxd
37	9.00%	9.5%	1.5	1	10/25	5 (10π)	NR	fxd
40	8.00%	§	1	-	10/5	-	fxd	-
41	9.71%	7.09-8.53%	1.5	0-3	3,5,7 bal(25π)	3,5,7(25π)	NR	adj
73	7.75%	7-7.5%	1	1	10-25	5-25	both	NR
Avg.	8.64%	7.64%	0.95	0.86	†	†	†	†

NR indicates no response to this question.
§ Refinancing not available.
† No average computed.
Note: Averages for interest rates and points are calculated by using the midpoint when a range of values were given by the lending institution.
Source: 2000 and 1999 Rent Guidelines Board Mortgage Surveys.

E. Lending Standards and Relinquished Rental Income, Longitudinal Study

Lending Institution	Max Loan-to-Value 2000	Max Loan-to-Value 1999	Debt Service Coverage 2000	Debt Service Coverage 1999	Collection Losses 2000	Collection Losses 1999
1	80%	80%	1.15	1.15	2%	4%
5	NR	NR	NR	NR	2%	3%
6	70%	65-75%	1.25	1.20-1.35	2%	2%
10	NR	75%	1.3	1.30	1%	1%
12	65%	65%	1.2	1.20	<1%	<1%
14	70%	75%	1.2	1.15	2%	5%
15	70%	70%	1.25	1.25	4%	4%
17	68%	70%	1.35-1.4	1.25	<1%	2%
18	80%	75%	1.15-1.2	1.175	5%	DK
23	65-70%	65%	1.25	1.25	1%	NR
30	80%	80%	1.25	1.25	NR	DK
31	75%	75% or <	1.2	1.2 or >	2%	2%
32	75%	75%	1.3	1.2	1%	1%
33	65%	65%	1.35	1.3	3%	4%
35	65%	65%	1.25	1.25	2%	2%
37	60-65%	60-65%	1.2	1.20	<1%	<1%
40	68%	70%	1.3	1.3	<1%	NR
41	70%	70%	1.2	1.2	4%	4%
73	80%	80%	1.2	1.3	2%	2%
Average	71.2%	71.5%	1.24	1.24	1.83%	2.47%

NR indicates no response to this question.

DK indicates the respondent does not know the answer to this question.

Note: Average loan-to-value and debt service coverage ratios are calculated using the midpoint when a range is given by the lending institution.

Source: 2000 and 1999 Rent Guidelines Board Mortgage Surveys.

F. Retrospective of New York City's Housing Market

Year	Interest Rates for New Mortgages	Permits for New Housing Units in NYC and northern suburbs	Permits for New Housing Units in NYC only
1981	16.3%	12,601 β	11,060
1982	13.0%	11,598 β	7,649
1983	13.5%	17,249 β	11,795
1984	12.9%	15,961	11,566
1985	10.5%	25,504	20,332
1986	10.2%	15,298	9,782
1987	10.8%	18,659	13,764
1988	12.0%	13,486	9,897
1989	11.2%	13,896	11,546
1990	10.7%	9,076	6,858
1991	10.1%	6,406	4,699
1992	9.2%	5,694	3,882
1993	8.6%	7,314	5,173
1994	10.1%	6,553	4,010
1995	8.6%	7,296 φ	5,135
1996	8.8%	11,457 φ	8,652
1997	8.5%	11,619 φ	8,987
1998	7.8%	13,532 φ	10,387
1999	8.7%	15,341 σ	12,421 σ

Notes: The northern suburbs include Putnam,Rockland,and Westchester counties.

β Prior to 1984,Bergen Co.,NJ permit figures are included.

φ These figures have been revised from prior years to reflect the final adjusted count.

σ These figures are preliminary.

Sources: Rent Guidelines Board, Annual Mortgage Surveys; U.S.Bureau of the Census,Manufacturing & Construction Division, Residential Construction Branch.