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**Oak Grove Capital Structures Refinancing of \$9.75 Million
Affordable Housing Complex in Calif.**

First successful subordination agreement between HUD and CAHCD

ST. PAUL, Minn. – Jan. 5, 2012 – [Oak Grove Capital](#), a leading national provider of [affordable housing](#) real estate financial services, recently originated a \$9.75 million HUD GNMA 223(f) loan for the refinance of Hunter’s Pointe, a multi-family affordable housing apartment complex in Carlsbad, California.

Oak Grove Capital paved new ground on this transaction by becoming the first lender to successfully negotiate a subordination agreement between HUD and the California Department of Housing and Community Development (CAHCD). The 35-year fixed rate loan carries a 35-year amortization period.

“This was a complicated and time consuming transaction which broke new ground at HUD. Oak Grove showed the dedication and tenacity you need to get a transaction like this to the finish line,” said Cheri Hoffman, president of Chelsea Investment Corporation. “Their knowledge of affordable housing transactions and debt structures, as well as their relationship with HUD, made the difference.”

“This deal was very complicated, being comprised of three different sources of subordinate debt, but it was also very rewarding,” said Tim Leonhard, managing director of affordable housing at Oak Grove Capital. “This project is a model for other affordable housing projects with market rents in excess of \$500 below same-store market rents. The waiting list for a unit is now in the thousands.”

About Oak Grove Capital

Oak Grove Capital is a nationwide mortgage lender specializing in affordable and market rate multifamily apartment complexes, seniors housing and healthcare facilities. Headquartered in St. Paul, Minn., Oak Grove Capital services a commercial loan portfolio in excess of \$7 billion and offers a product line consisting of Fannie Mae DUS®, Freddie Mac, FHA MAP, GNMA and other commercial real estate funding options. Regional offices are located in Dallas, Tampa and Bethesda, Maryland. For more information visit www.oakgrovecap.com.

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