

ACQUISITION AND REFINANCING OF MULTIFAMILY PROPERTIES

FHA MORTGAGE INSURANCE SECTION 22 (f)

Eligible Properties Market-rate, affordable, and rent-assisted multifamily housing that have physical occupancy of at least 85%. Independent living for seniors may qualify

Interest Rate Fixed rate, determined by market conditions

Borrower For-profit or not-for-profit single asset entity

Personal Liability Non-recourse subject to standard carve-outs

Maximum Loan	Property Type	Max Loan to Value	Min Debt Service
	Subsidized 1	90%	1.11X
	Affordable 2	87%	1.15x
	Market Rate	85%	1.18x

1 At least 90% of units supported by a project- based rental assistance contract

2 Regulatory agreement that at least meet the minimum Low-income House Tax Credit restrictions of 40% of units at 60% AMI or 20 % of units at 50% AMI in effect for at least 15 years

Terms and Amortization Maximum term of 35 years but no less than 10 years; fully amortizing

Commercial Space Limited to 25% of net rental area and 20% of effective gross income

Prepayment and Assumption Flexible; best execution typically has a combination of lockout and prepayment penalty for ten years; loan is fully assumable subject to HUD approval

Replacement Reserves Minimum \$250 per unit per year or as identified by a Project Capital Needs Assessment (PCNA). Initial deposit will be required at closing

Mortgage Insurance Premium 0.25% to 1.00% due at closing and 0.25% to 0.60% annually thereafter

HUD Application Fee 0.30% of requested loan amount

HUD Inspection Fee Dependent on repairs/improvements cost; minimum of \$1,000

Third Party Reports Appraisal, Phase 1 and PCNA are required; Market study may be required

Timeline Deal dependent; typically 4-5 months after submission of firm application
