



Acquisition and Refinancing of Multifamily Properties

FHA MORTGAGE INSURANCE SECTION 223(a)(7)

ELIGIBLE PROPERTIES	Only properties with existing FHA multifamily insured loans
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	The lesser of: 1) 100% of cost to refinance 2) debt service coverage of 95% NOI for broadly affordable ¹ ; 90% of NOI for all others 3) the original principal balance
TERM AND AMORTIZATION	Maximum of 12 years beyond in-place financing term, and is fully amortizing
COMMERCIAL SPACE	Limited to 25% of net rentable area and 20% of effective gross income
PREPAYMENT AND ASSUMPTION	Flexible - best execution typically has a combination of lockout and prepayment penalty for 10 years, and is fully assumable, subject to HUD approval
REPLACEMENT RESERVES	Minimum of \$250 per unit per year or as determined by a Project Capital Needs Assessment (PCNA); initial deposit, if warranted, will be required at closing
MORTGAGE INSURANCE PREMIUM	.25% to .50% due at closing and .25% to .50% annually thereafter
HUD APPLICATION FEES	.15% of requested loan amount due with submission of application
THIRD-PARTY REPORTS	HUD Environmental Review Online (HEROS) is required PCNA may be waived on a case-by-case basis
TIMELINE	Firm commitment issued 30 calendar days after HUD's receipt of complete application; closing 45-60 days