

Long-term, fixed-rate refinance of existing HUD-insured multifamily rental communities (minimum 5 units)

LOAN PARAMETERS			
Property Type	Minimum Debt Service Coverage	Maximum Loan to Refinance Cost <sup>(2)</sup>	Maximum Cash-Out
Subsidized <sup>(1)</sup>	1.05x	100%	Not Permitted
Market Rate/All Other	1.11x	100%	Not Permitted

<sup>(1)</sup> At least 90% of the units are covered by a project-based Section 8 contract

<sup>(2)</sup> Refinance costs include satisfaction of existing debt (including penalties), repairs up to \$1,500 per unit, an initial deposit to capital needs reserve, due diligence and closing costs

**Eligible Properties** Subsidized, affordable, or market rate multifamily properties which are currently HUD-insured projects.

**Eligible Borrowers** Single-asset entity; either for-profit or not-for-profit.

**Loan Term** Most transactions processed with a lower interest rate, and re-amortized either with remaining term or with an extension of up to 12 years (not to exceed original term or 75% remaining useful life).

**Interest Rate** Fixed interest for life of loan; Determined at rate lock based on prevailing market conditions.

**Mortgage Insurance (MIP)** First year: 0.50%  
Thereafter 0.50% annually (affordable, subsidized, and green certified properties eligible for lower MIP of 0.25% to 0.35%).

**Loan Fees** HUD Application fee: 0.15% of the estimated loan amount.

**Prepayment** Prepayment provisions negotiable, generally subject to lockout period and declining penalties.

**Recourse** Non-Recourse and assumable with HUD approval.

**Timing** Four to five months from engagement to closing; (1) 45-60 days to submit application, (2) 30-45 days to Firm Commitment, (3) 30-45 days to closing.

**Escrows** Real estate taxes, property insurance, MIP, replacement reserves (minimum \$250 per unit); escrow payments collected monthly. Existing replacement reserves must be transferred to new loan

**Third Party Reports** Capital Needs Assessment.

**Repairs** Repairs are permitted, subject to regional program limits – Maximum of \$1,500 per unit.

**Change of Ownership** If there is a change in ownership, principals or entities with 25% ownership, key decision makers and financial control, a mortgage credit review will be required.