HUDSON REALTY CAPITAL

FHA / HUD Section 223(f)

Long-term, fixed-rate financing for acquisition or refinance of existing multifamily rental communities (minimum 5 units)

LOAN PARAMETERS [1]					
Property Type	Maximum Loan to Value	Minimum Debt Service Coverage	Acquisition Loan to Cost	Maximum Cash-Out LTV [4]	Statutory Limits
Subsidized [2]	90%	1.11x	90%	80%	Per unit limits adjusted by High Cost Factor
Affordable [3]	90%	1.11x	90%	80%	
Market Rate	87%	1.15x	87%	80%	

(1) Applies to loan sizes up to $130,000,000. Lending parameters available upon request for loans above $130,000,000.
(2) At least 90% of the units are covered by a project-based Section 8 contract.
(3) Regulatory Agreement with minimum set-aside (e.g. 40% of units at 60% AMI, or 20% of units at 50% AMI) in effect for at least 15 years after the new loan closes.
(4) Refinanced properties may include 100% of eligible costs plus additional funds up to the cash-out LTV.

Eligible Properties	Subsidized, affordable, or market rate multifamily properties. Commercial space is limited to 25% of net rentable area and 20% of underwritten effective gross income.
Eligible Borrowers	Single-asset entity; either for-profit or not-for-profit.
Loan Term	Fully amortizing; Up to 35-year maximum loan term; Limited to the lesser of 35 years or 75% of estimated useful remaining life.
Interest Rate	Fixed interest for life of loan; Determined at rate lock based on prevailing market conditions.
Mortgage Insurance (MIP)	First year: 0.25% Thereafter 0.25% annually.
Loan Fees	HUD Application fee: 0.30%. (Opportunity Zone Market Rate: 0.20%, Opportunity Zone Affordable 0.10%).
Prepayment	Prepayment provisions negotiable, generally subject to lockout period and declining penalties.
Recourse	Non-Recourse and assumable with HUD approval.
Timing	Six to Seven months from engagement to closing; (1) 45-60 days to submit application, (2) 45-60 days to Firm Commitment, (3) 45-60 days to closing.
Escrows	Real estate taxes, property insurance, MIP, replacement reserves (minimum $250 per unit); escrow payments collected monthly.
Third Party Reports	Appraisal, Environmental, Radon, and Capital Needs Assessment.
Repairs	Repairs are permitted, subject to regional program limits.
Construction Takeout	Newly constructed properties require HUD concept meetings and must achieve minimum DSCR for one month prior to application submission.

This term sheet details an overview of the program guidelines and is not a summary of every term or requirement, which are subject to change without notice. This summary is not an offer or commitment to lend, and any such offer shall only be set forth in a signed, written commitment letter from lender. All transactions are contingent on satisfactory due diligence review and approval including evaluation of borrower credit and the loan collateral. Hudson is an Equal Opportunity Lender.