

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⁾	87%	1.15x	87%	80%	
Market Rate	85%	1.18x	85%	80%	

⁽¹⁾ Applies to loan sizes up to \$120,000,000. Lending parameters available upon request for loans above \$120,000,000.

⁽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.