



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

⁽¹⁾ Applies to loan sizes up to \$75,000,000. Lending parameters available upon request for loans above \$75,000,000.

⁽²⁾ At least 90% of the units are covered by a project-based Section 8 contract.

⁽³⁾ Regulatory Agreement with minimum set-asides 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: 1%
Thereafter .6% annually (affordable, subsidized, and green certified properties eligible for lower MIP of 0.25% to 0.35%)

Loan Fees HUD Application fee: 0.30%. (Opportunity Zone Market Rate: 0.2%, Opportunity Zone Affordable 0.1%)

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 – approximately \$40,000 per unit

Construction Takeout Newly constructed properties require HUD concept meetings and must achieve minimum DSCR for one month prior to application submission

For more information, please contact at.

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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.