New Construction or Substantial Rehabilitation FHA 221(d)(4)



Loan Term: 40 years

interest Rate: Fixed rate, fully amortizing

Non-recourse: Non-recourse

Assumable: Fully assumable

Prepayment: 10% year one, then declining 1% per year; and customizable

Borrower: A single asset SPE

Commercial Space: No commercial space greater than 25% of net rentable area

or 15%-30% of effective gross income of the property

Feconstruction. Escrows required for taxes, insurance, working capital (2%-4% of the loan), and initial operating deficit. Balances will be released to borrower after 6

consecutive months of break-even operations.

Post-Construction. Escrows required for taxes, insurance, and MIP and capital needs replacement reserves (minimum

\$250 per unit/annually).

Davis Bacon Wages: Payment of prevailing wages for contractors and

subcontractors

Third Party Reports: Market Study, Appraisal, Environmental Report, future
Capital Needs Assessment and an Architectural and Cost

Review

DSCR/LTV Requirements:

For Loan Amounts up to \$120 Million:

Property Ty	pe Maximum LTC	Minimum DSCR
Subsidized	90%	1.11
Affordable	87%	1.15
Market Rate	85%	1.176

For Loan Amounts \$120 Million and above:

Property Type	Maximum LTC	Minimum DSCR
Subsidized	80%	1.25
Affordable	80%	1.25
Market Rate	75%	1.3

Mortgage Insurance Premium:

- · Market Rate Properties: 0.65%
- Affordable Properties: 0.35%
- · Broadly Affordable or Green: 0.25%