

Purchase or Refinance FHA 223(f)



- Loan Term:**
- 35 years
- Interest Rate:**
- Fixed rate, fully amortizing
- Non-recourse:**
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- Assumable:**
- Fully assumable
- Prepayment:**
- 10% year one, then declining 1% per year; and customizable
- Cash Out:**
- Cash out is permissible
- Commercial Space:**
- No commercial space greater than 25% of net rentable area and 20% of effective gross income of the property
- Borrower:**
- A single asset SPE
- Escrows:**
- Escrows required for taxes, insurance, MIP and capital needs replacement reserves (minimum \$250 per unit/annually)
- Third Party Reports:**
- Appraisal, Environmental Report, and Capital Needs Assessment
- DSCR/LTV Requirements:**
- For Loan Amounts up to \$120 Million:

Property Type	Maximum LTV	Maximum LTV (for a Cash Out)	Minimum DSCR
Subsidized ¹	90%	80%	1.1
Subsidized ²	87%	80%	1.15
Market Rate	85%	80%	1.176

- For Loan Amounts \$120 Million and above:

Property Type	Maximum LTV	Maximum LTV (for a Cash Out)	Minimum DSCR
Subsidized ¹	80%	70%	1.25
Subsidized ²	80%	70%	1.25
Market Rate	75%	70%	1.3

- Mortgage Insurance Premium:**
- Standard MIP is 1% of the loan amount due to HUD at closing; then 0.60% annual thereafter.
 - Affordable Properties: 0.35% at closing; then 0.35% annually thereafter.
 - Broadly Affordable or Green: 0.25% at Closing; 0.25% annually thereafter.