HUD/FHA 223(f)

Purchase or Refinance

Loan Term	35 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
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 $125 Million

Property Type	Maximum LTV	Maximum LTV for a Cash Out [3]	Minimum DSCR
Subsidized[1]	90%	80%	1.11
Affordable[2]	90%	80%	1.11
Market Rate	87%	80%	1.15

For Loan Amounts of $125 Million and above

Property Type	Maximum LTV	Maximum LTV for a Cash Out [3]	Minimum DSCR
Subsidized[1]	87%	80%	1.15
Affordable[2]	80%	70%	1.25
Market Rate	75%	70%	1.30

Mortgage Insurance Premium: 0.25% at closing and annually thereafter.

(1) At least 90% of the units covered by a project-based Section 8 contract for at least 15 years.
(2) Regulatory Agreement in place 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.
(3) Refinances may include satisfaction of existing debt, required repairs, an initial deposit to capital needs reserve, due diligence and closing costs, additional funds up to the cash-out LTV and any other eligible costs.