

Apartments - Acquisition or Refinance **Section 223(f)**

DESCRIPTION

First Housing Development Corporation provides competitive financing for the acquisition or refinance of constructed or substantially rehabilitated multifamily properties that are a minimum of 3 years old.

BENEFITS / FEATURES

- One-step processing under HUD's Multifamily Accelerated Processing (MAP).
- Non-critical repairs and capital improvements may be included in the loan (Repairs cannot exceed \$15,000 times the applicable high cost percentage per unit).
- Mortgagor has up to 12 months from loan closing to complete repairs and improvements.
- Davis-Bacon wages not required on repair work.

LOAN PARAMETERS

Property Type	Maximum Loan to Value	Maximum Debt Service Coverage	Acquisition Loan to Cost	If Cash Out
Subsidized ¹	90%	1.11x	90%	80% LTV
Affordable ²	87%	1.15x	87%	
Market Rate	85%	1.176x	85%	

¹ Section 202 & 202/8 Direct Loans and projects with 90% or greater Project-Based rental assistance.

² Projects meeting HUD's definition of Affordable Housing with a Regulatory Agreement in place for a minimum of 15 years post closing and have a 10% LIHTC rent advantage over market rents.

AMORTIZATION: Up to 35 years (not to exceed 75% of estimated economic life).

RECOURSE: Loan is nonrecourse.

RATES: Fixed rate determined by market rates at the time of rate lock.

MIP: 1% of the mortgage amount is payable at closing. Thereafter, the MIP is escrowed monthly based on a rate established by FHA. The rate is fixed at closing.

OPTIONAL FEATURES

PREPAYMENT: Any prepayment lock-out or penalty periods negotiable with Investor.

ASSUMABILITY: Fully assumable with HUD's and Lender's consent.

SUBORDINATE FINANCING: Allowable subject to FHA criteria.

REQUIREMENTS

- Single-asset Borrower entity.
- HUD Application Fee of 0.3% of the mortgage amount is payable to FHA at the time of application.
- Financing and Placement fees are negotiable. Additional costs vary and include legal, third party reports and other underwriting costs.
- Initial Deposit to the Replacement Reserve and 100% of repair costs are escrowed from mortgage proceeds. An additional 20% of the repair costs is required as a completion guarantee from the borrower.
- Latent Defect Guarantee of 2.5% of repair costs is due at completion of repairs.
- Annual Fees
 - Mortgage Insurance Premium
 - 0.25% to 0.50% Annual GNMA Guarantee/ Servicing Fees (included in the interest rate quote)

This is a summary of general program terms, which are subject to change. This is not a commitment to lend.