

HUD 223(a)(7)

Eligible Properties:	All existing HUD insured loans except for sections 242 and 202
Borrower:	Single asset and single purpose entity, either for-profit or non-profit
Recourse:	Fully non-recourse
Loan Amount:	No limits
Maximum Mortgage Limits:	The lesser of: a) The original principal amount of the existing insured mortgages b) Transaction costs c) 1.111 DSCR (1.053 for non-profit)
Interest Rate:	Fixed rate determined by market conditions at the time of rate lock
Amortization & Term:	Lesser of current term plus 12 years or original mortgage term
Mortgage Insurance Premium:	.5% payable at closing, .45% annually
Escrows:	Escrows for taxes, insurance and mortgage insurance premium continue to be required
Replacement Reserves:	Initial (net of current balance) and monthly deposits required based on long term physical needs
Repair Escrow:	Cash or a letter of credit for up to 20% of the estimated cost of repairs
Origination Fee:	Fees negotiable
Placement Fee:	Fees negotiable
HUD Exam Fee:	\$3 per \$1,000 of requested mortgage for Section 223(a)(7) Half of this fee will be refunded at endorsement.
HUD Inspection Fee:	None
Rate Lock Deposit:	Typically ½% of mortgage amount, refunded at closing
Third Party Expense Deposit:	Limited PCNA/Phase I required on a case by case basis
Legal Fees:	Lender legal fees estimated at \$12,500
Assumability:	Fully assumable
HUD Review Time:	60 days

