

# HUD 223(f)

Eligible Properties:	Existing multifamily (5 unit) structures at least 3 years old
Borrower:	Single asset and single purpose entity, either for-profit or non-profit
Recourse:	Fully non-recourse
Loan Amount:	< \$50M <sup>1</sup>
Maximum Mortgage Limits:	For a purchase transaction, the lesser of: a) 83.3% LTV b) 100% transaction costs (refinance); 85% transaction costs (purchase) c) 1.20 DSCR <sup>2</sup> d) HUD statutory limits e) 80% LTV cash out refinance available <sup>3</sup>
Interest Rate:	Fixed rate determined by market conditions at the time of rate lock
Amortization and Term:	A maximum of 35 years fully amortizing
Mortgage Insurance Premium:	1% payable at closing 0.45% annually
Escrows:	Escrows for taxes, insurance and mortgage insurance premium are required
Replacement Reserves:	Initial 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
Secondary Financing:	Permitted up to 100% LTV under certain conditions
Commercial Space:	Eligible for up to 20% of total square footage and 20% EGI
HUD Exam Fee:	\$3 per \$1,000 of requested mortgage
HUD Inspection Fee:	1% of the estimated cost of repairs or \$30 per unit
Rate Lock Deposit:	Typically 0.5% of mortgage amount
Third Party Reports:	Appraisal, PCNA, Phase 1 ESA, Accountant's Report
Assumability:	Fully assumable

<sup>1</sup> For loans greater than \$50M see 223(f) Large Loan sheet

<sup>2</sup> Property must have an average physical occupancy of 85% for six months prior to submission of application to HUD

<sup>3</sup> 50% of cash out funded at cash out; remainder upon completion of non-critical repairs