

## Refinance or Acquisition of Multifamily Properties

PURPOSE	Refinance or acquisition of existing Multifamily Housing properties.
ELIGIBLE PROPERTIES	Existing Multifamily (minimum 5 units) and Mixed-Use properties.
COMMERCIAL SPACE	Eligible for up to 25% of net rentable area and 20% of EGI.
BORROWER	Single asset, special purpose entity. Either for-profit or nonprofit.
MAXIMUM LOAN AMOUNT	<p>The lesser of:</p> <ul style="list-style-type: none"> <li>a) for Market Rate properties, applicable factors: 87% LTV, 1.15 DSCR;</li> <li>b) for Affordable properties, applicable factors: 90% LTV, 1.11 DSCR;</li> <li>c) for properties with 90% or greater rental assistance, applicable factors: 90% LTV, 1.11 DSCR; and</li> <li>d) greater of 100% of transaction costs or 80% LTV if refinance cash out transaction.</li> </ul> <p><i>* 50% of cash out funded at closing; remainder upon completion of non-critical repairs. Other parameters apply to mortgages over \$125 million.</i></p> <p><i>** Other than the above constraints, there are no minimum or maximum loan sizes.</i></p>
TERM & AMORTIZATION	A maximum term of the lesser of 35 years fully amortizing or 75% of remaining economic life.
INTEREST RATE	Fixed-rate, subject to market conditions at the time of rate lock.
MORTGAGE INSURANCE PREMIUM	1.0% payable at closing, 0.60% annually thereafter; 0.25%-0.35% for Affordable and subsidized properties; and 0.25% for NGBS (Green) certified properties.
RECOURSE	Non-recourse.
ASSUMABILITY	Fully assumable, subject to HUD approval.
PREPAYMENT	Negotiable. Best rates typically have a 1–2-year lockout with a declining prepayment penalty for the remainder of the first 10 years.
THIRD PARTY REPORTS	Appraisal, PCNA, Phase I ESA and Radon. Other reports as needed.
ESCROWS	Escrows for taxes, insurance and mortgage insurance premium are required.
REPLACEMENT RESERVES	Initial and monthly deposits required based on long-term physical needs of property.
HUD APPLICATION FEE	\$3 per \$1,000 of requested loan amount.
HUD INSPECTION FEE	Greater of 1.0% of the cost of repairs or \$30 per unit (\$1,500 max if repairs are less than \$100K).

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