

PURPOSE	Refinance of healthcare/seniors housing and multifamily properties with existing HUD-insured mortgages.
ELIGIBLE PROPERTIES	All existing HUD-insured properties.
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"> a) the original principal amount of the existing HUD-insured mortgage; b) the outstanding principal balance of the existing HUD-insured mortgage plus the cost of required repairs, improvements, outstanding debt incurred in connection with capital improvements (as approved by HUD), prepayment penalties, and loan closing costs; and c) 1.11x DSCR (1.053x for projects with >90% of units assisted by Project-Based Section 8). <p>* No equity takeout is permitted. ** Other than the above constraints, there are no minimum or maximum loan sizes.</p>
TERM & AMORTIZATION	Current remaining term, or in some cases with HUD approval, the term can be extended back to the original mortgage term.
INTEREST RATE	Fixed-rate, subject to market conditions at the time of rate lock.
MORTGAGE INSURANCE PREMIUM	<ul style="list-style-type: none"> • 0.50% payable at closing, 0.55% annually thereafter; • 0.25% to 0.45% for affordable and subsidized properties; and
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	Project Capital Needs Assessment (PCNA) may be required.
ESCROWS	Escrows for taxes, insurance, and mortgage insurance premiums continue to be required.
REPLACEMENT RESERVES	Initial (net of current balance) and monthly deposits required based on long-term physical needs of property.
HUD APPLICATION FEE	\$1.50 per \$1,000 of requested loan amount.

