



TERM SHEET

HUD Section 223(f) Program
Multifamily Acquisition or Refinance Loan

This program provides non-recourse, assumable financing for the purchase or refinance of existing multifamily developments.

Maximum Term

The maximum term is 35 years or 75% of the remaining economic life of the property.

Maximum Loan

For refinancing with NO equity takeout or acquisition loan:

	LTV	Loan to Cost*	DSC
Market-Rate	85%	85%	1.176
Affordable	87%	87%	1.15
Broadly Affordable (>90% Section 8 or >90% LIHTC)	90%	90%	1.11

For equity takeout in a refinancing:

Market-Rate	LTV	Loan to Cost*	DSC
	80%	NA	NA

Personal Liability/Assumability

Non-recourse with standard carve-outs. Can be assumed subject to FHA approval.

Lockout/Prepayment Structure

Negotiable, but typically 10% in year 1, declining 1% per annum thereafter, until payable at par after the 10th year.

Repairs/Replacements

Limited to \$15,636/unit multiplied by the area’s high cost factor, with a maximum of \$43,019 per unit.

Secondary Financing

- Permitted up to cumulative LTV of 92.5% for private financing.
- Unlimited cumulative LTV if public financing.
- Evidenced by surplus cash note.

Other Considerations

- Mortgage Insurance Premium varies based on level of affordability and energy efficiency. MIP rates range from 25 bps to 60 bps.
- Rents based on post-renovated condition.
- Davis Bacon/prevaling wage rates do not apply.

* The Loan to Cost values are for acquisition transactions. For refinance transactions, the owner may obtain a loan of up to 100% of the total cost to refinance.