



Interest Rate Reduction Loan Modifications for Multifamily Properties

Program Overview:

This program permits the modification of an existing loan only for the purpose of reducing the interest rate. The existing prepayment penalty must be paid in full

Qualified Properties	<ul style="list-style-type: none">• Properties with existing FHA insured loans are eligible. Must be out of lock-out before the request is submitted
Loan Amount	<ul style="list-style-type: none">• No increase in loan proceeds available; however, a minimum DSC of 1.11x is required based on T-12 operating financials and the new interest rate
Maximum Term	<ul style="list-style-type: none">• No term extension available
Fees and Expenses	<ul style="list-style-type: none">• Minimal fees and expenses. No financing fees. Prepayment penalties, lender legal fees and title/recording can all be paid through premium generated by the interest rate. Borrower legal, if any, must be paid out of pocket at closing
Timing	<ul style="list-style-type: none">• 30 - 45 days• No underwriting required• HUD asset management approval required
Other FHA Requirements	<ul style="list-style-type: none">• Replacement reserve escrow remains in place• No third party reports required• MIP remains at existing level
