



FHA Section 223(f) Multifamily Acquisition or Refinance Loan

Program Overview:

This loan provides non-recourse, assumable financing for the purchase or refinance of existing multifamily, affordable or age-restricted properties

Qualified Properties	<ul style="list-style-type: none">• Multifamily properties which are at least 3 years old since final certificate of occupancy; projects must have an average physical occupancy rate of at least 85%
Maximum Loan	<ul style="list-style-type: none">• For refinancing, the maximum supportable loan is limited by the lesser of:<ul style="list-style-type: none">(a) 85% LTV for market rate, 87% LTV for affordable, and 90% LTV for 90% or greater rental assistance;(b) DSCR of 1.176x for market rate, 1.15x for affordable and 1.11x for 90% or greater rental assistance;(c) Greater of 100% of eligible costs or, if cash out, 80% of market value. Eligible costs include existing indebtedness, required repairs, any initial deposit to the replacement reserve, third party reports and other closing costs• For a purchase transaction, the loan amount is limited by the lesser of:<ul style="list-style-type: none">(a) 85% LTV of value for market rate, 87% LTV for affordable, and 90% LTV for 90% or greater rental assistance;(b) DSCR of 1.176x for market rate, 1.15x for affordable and 1.11x for 90% or greater rental assistance;(c) 85% of eligible transaction costs for market rate, 87% for affordable, and 90% for 90% or greater rental assistance. Eligible costs include purchase price, required repairs, any initial deposit to the replacement reserve, third party reports and other closing costs
Maximum Term	<ul style="list-style-type: none">• Lesser of 35 years or 75% of the remaining economic life, but no less than 10 years
Personal Liability	<ul style="list-style-type: none">• FHA loan is non-recourse
Assumability	<ul style="list-style-type: none">• Yes, subject to FHA approval
Commercial Limitations	<ul style="list-style-type: none">• 25% of total net rentable area; 20% of effective gross income
Repairs/Replacements	<ul style="list-style-type: none">• Repairs cannot exceed \$15,000 per unit multiplied by the High Cost Factor for the area. Repairs/replacements are limited to a maximum of one major building component replacement



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Fees and Expenses

- The client must pay for all third party reports, which include a Phase I environmental site assessment, full appraisal, PCNA (Property Capital Needs Assessment), evaluation of utility consumption, and conformance to energy conservation measures. Funds must be remitted to Century Health & Housing Capital and these contractors are engaged and paid by Century Health & Housing Capital. Financing and permanent placement fees not to exceed 3.5% are based on final loan amount, earned upon commitment and payable from mortgage proceeds at closing

Mortgage Insurance Premium

- Annual Mortgage Insurance Premium (MIP) is 0.25% to 1.00% at closing (one year pre-paid) and 0.25% to 0.60% annually thereafter (based on outstanding principal balance)

Other FHA Requirements

- HUD application fee is 0.3% of mortgage amount due at the time of submission of the Firm Application
- Large loan sizes are subject to more conservative underwriting
- Age-restricted properties can be financed under this program, so long as the head of household is 62 or older, and occupancy is not restricted to any remaining occupants