



MULTIFAMILY | FHA/HUD Section 223(f)

Acquisition and Refinancing of Multifamily Properties

This program provides for permanent financing for the purchase or refinance of market rate multifamily properties, affordable or rental assisted properties.

| Eligible Properties | Multifamily properties of any class, affordable or rental assisted properties. | | | | | | | | | | | | |
|----------------------------|--|---------------------------------|-------------------------|---------------------------------|-------------|-----|-------|------------|-----|------|------------|-----|------|
| Term | Up to 35 years. | | | | | | | | | | | | |
| Interest Rate | Locked before closing and fixed for the duration of the term. (Subject to market conditions.) | | | | | | | | | | | | |
| Guarantees | Non-recourse for the duration of the term. | | | | | | | | | | | | |
| Prepayment | Customizable, typically a 10-year step down, based on market conditions and borrower preferences. | | | | | | | | | | | | |
| Assumable | Subject to FHA/HUD and lender approval. | | | | | | | | | | | | |
| Loan Parameters | <p>Maximum loan amount will be the lessor of the original principal balance when first insured or parameters below.</p> <table border="1"> <thead> <tr> <th>Property Type</th> <th>Max Loan-to-Value Ratio</th> <th>Min Debt Service Coverage Ratio</th> </tr> </thead> <tbody> <tr> <td>Market Rate</td> <td>85%</td> <td>1.176</td> </tr> <tr> <td>Affordable</td> <td>87%</td> <td>1.15</td> </tr> <tr> <td>Subsidized</td> <td>90%</td> <td>1.11</td> </tr> </tbody> </table> <p>(*Max LTV for cash out refinance is 80%.)</p> | Property Type | Max Loan-to-Value Ratio | Min Debt Service Coverage Ratio | Market Rate | 85% | 1.176 | Affordable | 87% | 1.15 | Subsidized | 90% | 1.11 |
| Property Type | Max Loan-to-Value Ratio | Min Debt Service Coverage Ratio | | | | | | | | | | | |
| Market Rate | 85% | 1.176 | | | | | | | | | | | |
| Affordable | 87% | 1.15 | | | | | | | | | | | |
| Subsidized | 90% | 1.11 | | | | | | | | | | | |

| | |
|------------------------------|---|
| HUD Fees and Expenses | <ul style="list-style-type: none"> • The annual Mortgage Insurance Premium (MIP) is 0.60% of the outstanding loan amount for market rate transactions. Reduced MIP rates for affordable projects or projects that qualify for Green/Energy Efficient Housing. • FHA Application Fee of 0.30% of loan amount. • FHA Inspection Fee is \$30 per unit where the repairs/improvements are greater than \$100,000 in total but \$3,000 or less per unit or \$30 per unit or 1% of the cost of repairs or \$1,500, whichever is greater, where the repairs/improvements are more than \$3,000 per unit or \$1,500 where the repairs/improvements are less than \$100,000. • Replacement Reserves determined by a 20-year capital needs analysis, minimum of \$250 per unit per annum. |
|------------------------------|---|

| | |
|---------------------------------|--|
| Commercial Space | Limited to 25% of net rentable space and 20% of gross income. |
| Third-Party Reports | Appraisal, Environmental, Property Capital Needs Assessment (PCNA) required. |
| Timing | Approximately 6-9 months for engagement, submission, FHA/HUD review, and closing. |
| Funding | Ginnie Mae guaranteed mortgage-backed securities. |
| Other Program Parameters | <ul style="list-style-type: none">• Escrows for property taxes, insurance, MIP, and replacement reserves are required.• Total repairs are limited to approximately \$45,000 per unit.• Age restricted properties may qualify so long as head of household is 62 or older and occupancy is not restricted to any remaining occupants. |



Century Health & Housing Capital | Saratoga Springs, NY | St. Louis, MO | Scottsdale, AZ
phone: 518.583.1667 email: info@chcap.com website: chcap.com



©2022 Velocity Financial, Inc., DBA Century Health and Housing Capital. All rights reserved. Equal Housing Lender.
This term sheet is provided for informational purposes only and is not a commitment to lend. Your specific needs
should be discussed with your loan originator for program applicability.