



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 including market rate, 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 lesser of the parameters below. Large loans (currently > \$130MM) carry more conservative UW numbers.</p> <p>*Max LTV for cash out refinance is 80%.</p> <table border="1"> <thead> <tr> <th>Property Type</th> <th>Max Loan-to-Cost (Acquisition Only)</th> <th>Max Loan-to-Value Ratio</th> <th>Min Debt Service Coverage Ratio</th> </tr> </thead> <tbody> <tr> <td>Market Rate</td> <td>87%</td> <td>87%</td> <td>1.15</td> </tr> <tr> <td>Eligible Affordable</td> <td>90%</td> <td>90%</td> <td>1.11</td> </tr> <tr> <td>Subsidized</td> <td>90%</td> <td>90%</td> <td>1.11</td> </tr> </tbody> </table> | Property Type | Max Loan-to-Cost (Acquisition Only) | Max Loan-to-Value Ratio | Min Debt Service Coverage Ratio | Market Rate | 87% | 87% | 1.15 | Eligible Affordable | 90% | 90% | 1.11 | Subsidized | 90% | 90% | 1.11 |
| Property Type | Max Loan-to-Cost (Acquisition Only) | Max Loan-to-Value Ratio | Min Debt Service Coverage Ratio | | | | | | | | | | | | | | |
| Market Rate | 87% | 87% | 1.15 | | | | | | | | | | | | | | |
| Eligible Affordable | 90% | 90% | 1.11 | | | | | | | | | | | | | | |
| Subsidized | 90% | 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 as low as 0.25% for affordable projects or projects that qualify for Green/Energy Efficient Housing. • FHA Application Fee of 0.30% of loan amount. • FHA Inspection Fee based on level of repairs • Replacement Reserves determined by a 20-year capital needs analysis, minimum of \$250 per unit per annum with initial deposit based upon CNA. | | | | | | | | | | | | | | | | |
| Commercial Space | Limited to 25% of net rentable space and 20% of gross income. | | | | | | | | | | | | | | | | |

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| 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 with valuation and DSC assuming completion of those repairs. Lender holds 110% - 120% escrow and repairs must be completed in 12 months.• Age restricted properties may qualify so long as head of household is 62 or older and occupancy is not restricted to any remaining occupants. Affordable properties may be eligible for 55+ restriction. |



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