



**MULTIFAMILY | FHA/HUD Section 223(f)**

**Acquisition and Refinancing of Multifamily Properties**

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

<b>Eligible Properties</b>	Multifamily properties of any class, affordable or rental assisted properties.
<b>Term</b>	Up to 35 years.
<b>Interest Rate</b>	Locked before closing and fixed for the duration of the term. (Subject to market conditions.)
<b>Guarantees</b>	Non-recourse for the duration of the term.
<b>Prepayment</b>	Customizable, typically a 10-year step down, based on market conditions and borrower preferences.
<b>Assumable</b>	Subject to FHA/HUD and lender approval.

**Loan Parameters** Maximum loan amount will be the lesser of the original principal balance when first insured or parameters below.

Property Type	Max Loan-to-Value Ratio	Min Debt Service Coverage Ratio
Market Rate	87%	1.15
Affordable	90%	1.11
Subsidized	90%	1.11

(\*Max LTV for cash out refinance is 80%.)

**HUD Fees and Expenses**

- The annual Mortgage Insurance Premium (MIP) is 0.25% of the outstanding loan amount for market rate transactions.
- 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.

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<b>Commercial Space</b>	Limited to 25% of net rentable space and 20% of gross income.
<b>Third-Party Reports</b>	Appraisal, Environmental, Property Capital Needs Assessment (PCNA) required.
<b>Timing</b>	Approximately 4-6 months for engagement, submission, FHA/HUD review, and closing.
<b>Funding</b>	Ginnie Mae guaranteed mortgage-backed securities.
<b>Other Program Parameters</b>	<ul style="list-style-type: none"><li>• Escrows for property taxes, insurance, MIP, and replacement reserves are required.</li><li>• Total repairs are limited to approximately \$45,000 per unit.</li></ul>

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Century Health & Housing Capital | Saratoga Springs, NY | Boston, MA | Chicago, IL |  
phone: 518.583.1667 website: chcap.com



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