



## Multifamily Rental Housing

### REFINANCE OF FHA-INSURED MORTGAGES

#### FHA Section 223(a)(7)

#### ELIGIBLE PROPERTY TYPES

Refinance of Existing FHA-Insured Mortgages for Market Rate and/or Affordable multifamily rental properties

#### ELIGIBLE BORROWERS

Single asset entities (*i.e. Individuals, limited liability companies, partnerships, trusts, private corporations, non-profit corporations, public bodies and cooperatives*)

#### MAXIMUM LOAN AMOUNT

##### The lesser of:

- Original principal balance of existing loan
- Debt Service Coverage of 1.11x (1.05x for Project-Based Rental Assistance on at least 90% of the units)
- 100% Cost to Refinance (Existing indebtedness plus transaction costs)

***\*Commercial Space is governed by the Section of the Act of the underlying insured mortgage***

#### GENERAL LOAN TERMS

- Remaining term of the existing HUD loan plus up to 12 years (subject to HUD approval); term cannot exceed the original term of the existing loan or 75% of the remaining economic life of the property, fully amortizing
- Fixed interest rate for the term of the loan
- Typically a one or two-year lockout with a declining penalty through year 10 (negotiable); no yield maintenance
- Loan is non-recourse and assumable
- Secondary financing terms are governed by the Section of the Act of the underlying insured mortgage