



## TERM SHEET

# HUD Section 223(f) Program Multifamily Acquisition or Refinance Loan

This program provides non-recourse, assumable financing for the purchase or refinance of existing multifamily developments. In most cases the development must be at least three years old. The program is available to market-rate and affordable properties. Profit motivated, non-profit motivated and public owners are eligible.

### Maximum Term

The maximum term is 35 years or 75% of the remaining economic life of the property.

### Maximum Loan

For refinancing with NO equity takeout or acquisition loan:

	LTV	Loan to Cost*	DSC
<b>Market-Rate</b>	85%	85%	1.176
<b>Affordable</b>	87%	87%	1.15
<b>Affordable (&gt;90% Section 8)</b>	90%	90%	1.11

For equity takeout in a refinancing:

	LTV	Loan to Cost	DSC
<b>Market-Rate</b>	80%	NA	NA

### Personal Liability

Non-recourse with standard carve-outs.

### Lockout / Prepayment Structure

Negotiable, but typically closed for two years then open to prepayment at 8% in year three, declining 1% per year until payable at par after the 10th year.

### Repairs/Replacements

Limited to \$15,000/unit multiplied by the area's high cost factor, with a maximum of \$40,500 per unit. Limited to replacing no more than one building system.

\*The Loan to Cost values are for acquisition transactions. For refinance transactions the owner may obtain a loan of up to 100% of the total cost to refinance.

### Secondary Financing

- Surplus Cash Notes permitted up to cumulative LTV of 92.5%.
- Unlimited cumulative LTV if public financing.

### Other Considerations

- Mortgage Insurance Premium varies based on level of affordability and energy efficiency.