



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
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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.
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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.



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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.