

# HUD 223(f)

## Eligible Properties

Purchase or refinance of existing multifamily (minimum 5-unit) structures

### HUD 223(f) AT A GLANCE

<b>Borrower</b>	Single asset and single purpose entity, either for-profit or nonprofit
<b>Recourse</b>	Fully non-recourse
<b>Loan Amount</b>	No limits; loan over \$75 million has more conservative underwriting requirements
<b>Maximum Mortgage Limits</b>	The lesser of: a) 85%, 87%, 90% LTV for market rate, affordable, or rental-assisted properties, respectively b) 100% transaction costs (refinance); 85% transaction costs (purchase) c) 1.176x, 1.15x, 1.11x DSCR for market rate, affordable, or rental-assisted properties, respectively d) HUD statutory limits e) 80% LTV cash-out refinance available
<b>Interest Rate</b>	Fixed rate determined by market conditions at the time of rate lock
<b>Amortization and Term</b>	A maximum of 35 years fully amortizing or 75% of remaining useful life
<b>Mortgage Insurance Premium</b>	0.25% - 1.0% payable at closing 0.25% - 0.60% annually depending on product type
<b>Stabilization</b>	The project must achieve the minimum DSCR for 1 month prior to application submission and for a period of 3 consecutive months prior to closing
<b>Escrows</b>	Escrows for taxes, insurance and mortgage insurance premium are required
<b>Replacement Reserves</b>	Initial and monthly deposits required based on long-term physical needs
<b>Repair Escrow</b>	Cash or a letter of credit for up to 20% of the estimated cost of repairs
<b>Secondary Financing</b>	Permitted up to 100% LTV under certain conditions
<b>Commercial Space</b>	Eligible for up to 20% of total square footage and 20% EGI
<b>Financing Fee</b>	Fees negotiable
<b>Placement Fee</b>	Fees negotiable
<b>HUD Exam Fee</b>	\$3 per \$1,000 of requested mortgage
<b>HUD Inspection Fee</b>	1% of the estimated cost of repairs or \$30 per unit, whichever is greater
<b>Rate Lock Deposit</b>	Typically 0.50% of mortgage amount, refunded at closing
<b>Third-Party Reports</b>	Appraisal, environmental assessment and Property Condition and Needs Assessment (PCNA) are required
<b>Closing Expenses</b>	Legal fees, title insurance and survey
<b>HUD Review Time</b>	Typically 60 days

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