

FHA Section 223(f)

multifamily refinance or acquisition
long-term fixed rate
up to 90% LTV

The Community Preservation Corporation (CPC) is a MAP approved lender. This loan product is for the purchase or refinance of existing multifamily housing with rehabilitation work allowed.

01 Eligible Properties

Multifamily properties which are at least 3 years old since final certificate of occupancy; projects must have an average physical occupancy rate of at least 85%, and consist of at least 5 multifamily units.

02 Loan Terms

Maximum Loan Term 35 years, or 75% of the remaining economic useful life.

Interest Subject to market conditions



Ask us how we can help tailor a lending solution to fit your needs.





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03 Maximum Loan

The maximum loan is limited by the lesser of:

	For Refinancing	For Acquisition
a	83.3% LTV for market rate, 85% LTV for affordable ¹ , and 87% LTV for 90% or greater rental assistance ²	83.3% LTV for market rate, 85% LTV for affordable, and 87% LTV for 90% or greater rental assistance
b	DSCR of 1.20x for market rate, 1.17x for affordable ¹ and 1.15x for 90% or greater rental assistance ²	DSCR of 1.20x for market rate, 1.17x for affordable and 1.15x for 90% or greater rental assistance
c	Greater of 100% of eligible costs or, if cash out, 80% of market value	83.3% of eligible transaction costs for market rate, 85% for affordable, and 87% for 90% or greater rental assistance

04 Eligible Costs

For Refinancing	For Acquisition
Existing indebtedness, required repairs, any initial deposit to the replacement reserve, third party reports and other closing costs.	Purchase price, required repairs, any initial deposit to the replacement reserve, third party reports and other closing costs.

05 Interest Rate

Locked after HUD commitment, subject to market conditions.

06 Prepayment Penalty

Typically 10% in Year 1, declining 1% per year.

07 Mortgage Insurance Premium

Upfront MIP of 0.25% - 1.00% due at loan closing. Annual MIP of 0.25% - 0.60% of outstanding principal balance.

08 Personal Liability

FHA loan is non-recourse.

09 Assumability

Yes, subject to FHA and CPC approval.

10 Repairs/Improvements

Limited to a majority replacement of one major building component and cannot exceed the greater of:

- a Up to \$40,500/unit in construction hard costs
- b 15% of the estimated replacement cost after completion of all work

11 Fees and Expenses

Nominal processing fee due to CPC at engagement. Borrower must pay for all third party reports, including a Phase I Environmental Site Assessment, a full appraisal and a PCNA (Property Capital Needs Assessment). FHA application fee of 0.30% plus inspection fee of \$30/unit or 1% of repair costs, whatever is greater.

For more information, visit us online at communityp.com or contact:

Richard Conley
646.822.9356
rconley@communityp.com

Christopher Schilling
646.822.9304
cschilling@communityp.com

1. "Affordable" projects must: 1. Rent and income restrictions must be imposed, monitored and enforced by a governmental agency for at least 15 years after Final Endorsement, and 2. Either (a) a recorded Regulatory Agreement requiring the project to meet at least the minimum LIHTC restrictions of 20% of units at 50% of AMI, or (b) 40% of units at 60% of AMI, with economic rents (i.e. the portion paid by the residents) on those units no greater than LIHTC rents. Projects need not use LIHTCs to qualify for affordable underwriting so long as they meet the above requirements.

2. a Project-Based Section 8 contract for 90% of the units.

The Community Preservation Corporation, in its sole discretion, may, at any time and without prior notice, terminate the loan program, amend or waive compliance with any terms, or reject any or all proposals for funding. April, 2017.