

FHA SECTION 223(f)

CPC is a MAP-approved lender. The 223(f) product is a long-term fixed-rate loan for the refinance or acquisition of an existing multifamily property. Some rehabilitation work is allowed.

ELIGIBLE PROPERTIES

5+ residential unit properties, including, detached, semidetached, row, walkup, or elevator-type rental or cooperative housing. Properties must have complete kitchens and baths. Applications for refinancing of newly built or substantially rehabilitated properties will now be accepted as soon as properties achieve the programmatic Debt Service Coverage Ratio (DSCR) for not less than one full month.

The program is available for market rate rental housing or for properties accepting rental assistance, either tenant based or project based.

Commercial area is permissible, but cannot exceed 25% of the net rental area, or 20% of the gross revenues.

Student housing properties that offer rents per room, not per unit, are ineligible.

30 day minimum lease term required.

The property must meet a minimum three-year stabilization requirement (property must have been built and stabilized for three or more years before receiving a HUD insured mortgage).

The loan may include repair costs not to exceed more than \$15,000 per unit (except in high cost areas). Repairs may not include replacing more than one major building system.

LOAN TERMS

Terms

The lesser of 35 years or a maximum term not to exceed 75% of remaining economic useful life of the property.

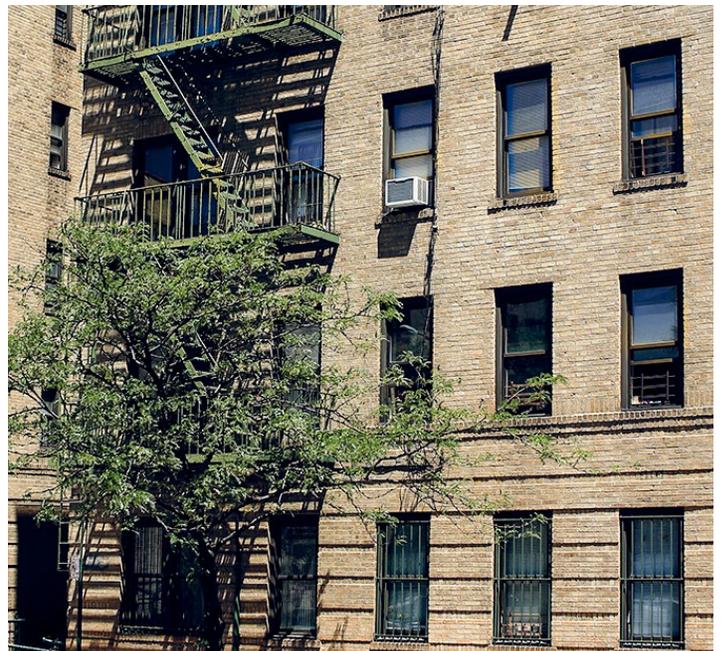
Eligible Locations

Northeast Region and others on case by case basis.

Loan Size

\$1,000,000 with no maximum.

Contact your local Mortgage Officer to see how we can tailor a loan to meet your needs.



Community
Preservation
Corporation

Maximum LTV	85% for market rate properties. 87% for affordable properties. 90% for properties with 90% + Section 8.
Minimum DSCR	1.17 for market rate; 1.15 for affordable properties.
Minimum Occupancy	Property must demonstrate a pattern of stable occupancy of 85% for 6 months prior to application and maintained until closing.
Interest Only	N/A
Prepayment Penalty	Negotiable - typically a two-year lock out followed by a step down premium (e.g. 8,7,6,5,4,3,2,1).
Guarantee	Non-recourse subject to standard carve-outs.
Assumable	Yes, subject to lender approval.
Supplemental Loan	Available 12 months from date of closing first loan.
Subordinate Debt	Permitted up to 7.5% on an exception basis; up to 100% for public source
Rate Lock	At commitment.
Cash Out Refinances	Cash out allowed when 80% of value exceeds existing debt plus transaction costs, but only 50% of the net cash will be released at closing. The other 50% will be escrowed until completion, inspection and approval of the non-critical (immediate) repairs.
Escrows	Tax and Insurance Impounds: Required. Replacement Reserves: Required - Monthly deposit required and amount depends on property condition. Initial Deposit to Reserve Fund: Required - One time deposit may be required depending on property condition. Critical and Non-Critical Repair Escrow: May be required for properties with life, safety, health or code related repair and/or maintenance concerns
Fees and Expenses	Third Party Reports: Appraisal, engineering report, environmental analysis and flood certification. FHA Inspection Fee: TBD FHA Exam Fee: TBD Financing Fee: 1%-3% depending on loan size and loan complexity. Permanent Placement Fee: 1%-2%. First Year Mortgage Insurance Premium: 1% of loan amount for market rate properties and .25%-.35% for affordable properties. Monthly Mortgage Insurance Premium: .60% and .25%-.35% for affordable properties. Borrower's Legal: Estimated at \$10,000-\$20,000 Title & Recording Fees: TBD
Sponsor Requirements	Experienced owner operators preferred. Minimum credit and financial capacity requirements. HUD experience preferred:

For more information,
visit us online at

communityp.com



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, 2020.