LMD
CAPITAL PARTNERS

FHA / HUD

FHA HUD Section 223(f) - Acquisition & Refinancing of Multifamily

Non-recourse, fully amortizing FHA-insured financing for the acquisition or refinance of existing multifamily properties, with terms to 35 years and leverage that steps down above a $130 million loan size.

Indicative Terms

LOAN PARAMETERS (UP TO $130M)	Subsidized: 90% maximum LTV, 1.11x minimum DSCR, 90% acquisition loan-to-cost, 80% maximum cash-out LTV. Affordable: 90% maximum LTV, 1.11x minimum DSCR, 90% acquisition loan-to-cost, 80% maximum cash-out LTV. Market rate: 87% maximum LTV, 1.15x minimum DSCR, 87% acquisition loan-to-cost, 80% maximum cash-out LTV.
LOAN PARAMETERS ($130M AND ABOVE)	Subsidized: 87% maximum LTV, 1.15x minimum DSCR, 87% acquisition loan-to-cost, 80% maximum cash-out LTV. Affordable: 80% maximum LTV, 1.25x minimum DSCR, 80% acquisition loan-to-cost, 70% maximum cash-out LTV. Market rate: 75% maximum LTV, 1.30x minimum DSCR, 75% acquisition loan-to-cost, 70% maximum cash-out LTV.
LOAN AMOUNT CAP	May not exceed the statutory per-unit maximum as adjusted by HUD for the project's location.
COMMERCIAL SPACE	Limited to 25% of net rentable area and 20% of effective gross income.
BORROWER STRUCTURE	Single-asset, special-purpose entity, for-profit or non-profit. Non-recourse.
INTEREST RATE	Fixed for the full term, set at rate lock against market conditions. Rate lock deposit of 0.5%, refundable at closing.
TERM AND AMORTIZATION	Maximum 35 years, fully amortizing.
REPAIR / REHAB	Up to $15,000 per unit, inflation-adjusted and multiplied by the local cost factor, typically 190% to 270%. No expansion of the residential footprint is permitted.
PREPAYMENT AND ASSUMPTION	Negotiable, with best pricing at 10 years of call protection. Fully assumable subject to HUD approval.
ESCROWS	Monthly escrows for taxes, insurance and mortgage insurance premium. The capital needs reserve is funded monthly at a minimum of $250 per unit per year.
MORTGAGE INSURANCE PREMIUM	0.25% due to HUD at closing and 0.25% annually thereafter.
HUD APPLICATION FEE	0.30% of the estimated loan amount, reduced for properties in Opportunity Zones.

Indicative Terms (continued)

THIRD PARTY REPORTS	Appraisal, environmental assessment and capital needs assessment.
APPLICATION FEE	Quoted per transaction.
ORIGINATION FEE	Quoted per transaction.
LEGAL FEES	Quoted per transaction.
TIMING	Application roughly 45 to 60 days after engagement, then roughly 45 to 60 days to HUD commitment and a further 30 to 45 days to closing.

Eligible Properties & Sponsors

Market rate properties of any class, cooperatives, and affordable or subsidized housing. Student housing qualifies where cash flow does not assume multiple rents per unit and rents track market-rate multifamily comparables. Manufactured housing requires a governmental, non-profit or cooperative borrower, is capped at 90% LTV with a 1.11x minimum DSCR, and permits no cash-out. The borrower must be a single-asset, special-purpose entity, for-profit or non-profit.