

**REFINANCE OF PROPERTIES WITH EXISTING FHA DEBT**

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Eligible Properties	All properties that currently have HUD insured loans.
Loan Amount	Loan may be increased to the original principal balance when first insured
Recourse	Non-recourse
Interest Rate Fixed for term of the loan, determined by market	conditions at the time of rate lock.
Loan Parameters	<p>Maximum loan amount will be the lesser of:</p> <ul style="list-style-type: none"> <li>• The original principal balance of the loan</li> <li>• The unpaid principal balance of the existing loan plus transaction costs and funds requested for repairs.</li> <li>• The amount that achieves a 1.11 times debt service coverage</li> </ul>
Term and Amortization	Lesser of the original underlying term or 12 years beyond the underlying loan maturity date.
Prepayment and Assumption	Negotiable. Standard is a 10-year stepdown prepayment (10% year 1 declining 1% annually until open at Par after year 10). Loan is fully assumable subject to HUD approval.
Escrows	Taxes and insurance are escrowed monthly. Replacement reserves required and monthly deposit is to be determined in accordance with HUD guidelines.
Mortgage Insurance Premium	<p>Market Rate: 0.50% due to HUD at closing and 0.50% annually thereafter.</p> <p>Broadly Affordable: 0.25% due to HUD at closing and 0.25% annually thereafter.</p> <p>Affordable: 0.35% due to HUD at closing and 0.35% annually thereafter.</p> <p>*All MIP rates are escrowed monthly.</p>
HUD Application Fee	15 basis points (\$1.5 per \$1,000) on requested loan amount.
Additional Parameters	<ul style="list-style-type: none"> <li>• Funds to cover minor repairs (\$1,500/unit) and cost of the transaction can be included in the loan amount.</li> <li>• Outstanding debt incurred in connection with capital improvements made to the property may be included in the loan amount.</li> <li>• Davis-Bacon prevailing wage requirements do not apply to repairs.</li> <li>• Does not require an appraisal, market study or environmental reports; however, a PCNA will be required as part of the application and every 10 years post-closing.</li> <li>• Cash out to the Sponsor is not permitted</li> </ul>