

Harborview Multifamily FHA/HUD Section 223(a)(7)

Refinancing of Properties with Existing HUD-Insured Debt

Eligible Properties	All properties that currently have HUD insured loans
Loan Amount	Loan may be increased to original principal balance when first insured; no equity takeout is permitted under Section 223(a)(7)
Recourse	Non-recourse
Interest Rate	Fixed for terms of loan, determined by market conditions at time of rate lock (Rate lock deposit is 1% and refunded at closing)
Loan Parameters	Maximum loan amount will be the lesser of: a) The original principal balance of the loan; b) The unpaid principal balance of the existing loan plus transaction costs and funds requested for repairs; or c) The amount that achieves a 1.11 times debt service coverage ratio
Term and Amortization	Shorter of: a) The remaining term plus 12 years; b) Original mortgage term
Prepayment and Assumption	Negotiable with best pricing for 10 years of call protection (can be a combination of lockout and/or penalty); subject to HUD approval, loan is fully assumable
Escrows	a) Taxes and insurance are escrowed monthly; b) Replacement reserve required and the monthly deposit amount determined in accordance with HUD guidelines; the minimum reserve for replacement deposit is \$250 per unit per year or such higher amount as determined by the PCNA
Mortgage Insurance Premium	.50% due to HUD at closing and .50% annually thereafter, escrowed monthly. MIP reductions available for Green and Affordable projects.
HUD Application Fee	30 basis points (\$3 per \$1,000) on requested loan amount (due with submission of firm application to HUD) half refunded. Ask your Harborview representative.
Third Party Reports	PCNA

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